FOREIGN BROADCAST INFORMATION SERVICE

Daily Report

Central Eurasia

FBIS-SOV-95-087
Friday
5 May 1995

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FBIS-SOV-95-087 *5 May 1995*

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Agenda for Clinton Visit, Summit Released

LD0405194795 Moscow ITAR-TASS in English 1918 GMT 4 May 95

[By Vladimir Kikilo and Vitaliy Chukseyev]

[FBIS Transcribed Text] WASHINGTON May 4 (Itar-Tass)—U.S. President Bill Clinton will go to Moscow on May 9-11 to commemorate the enormous losses Russia paid for the victory in World War II, an administration official who asked not to be named told a press conference today. Clinton will also meet President Boris Yeltsin to discuss bilateral issues and international affairs.

The American president will travel on from Moscow to Ukraine for a one-day visit.

The administration spokesman said Clinton would probably make an address to the Russians and would use his visit for meetings with different political figures.

The administration official said the Russian leaders recently had managed an appreciable economic progress, a lower inflation and the adoption of the new budget. The U.S. would encourage investment in the Russian economy, the speaker said.

The American and Russian presidents will discuss a broad range of security issues. The U.S. will strive for NATO expansion, simultaneously strengthening its ties with Russia.

The administration official announced that the U.S. intends to raise at the summit ahead the issue of Russia's export of arms and nuclear reactors to Iran.

The U.S. is strongly against the reactor deal, seeing it as a vehicle moving Iran towards generating its own nuclear potential.

Yeltsin, Rybkin Discuss Upcoming Clinton Visit

LD0405204495 Moscow INTERFAX in English 1508 GMT 4 May 95

[FBIS Transcribed Text] MOSCOW, May 4 (Interfax)—President Boris Yeltsin and the Duma Chairman Ivan Rybkin at their regular monthly meeting Thursday discussed a number of questions related to the coming V-E Day festivities as well as the working visit to Moscow of the US President Bill Clinton.

Rybkin told the press that he had informed the president about the latest visit of a Duma delegation to Japan and the USA.

According to the speaker, the delegation agreed with the American House of Representatives on cooperation in law-making with the purpose of forming a legal foundation for the expansion of economic cooperation between the two countries.

Rybkin also said that during his meetings with Vice-President Albert Gore, Secretary of State Warren Christopher and Defense Secretary William Perry he toughly spoke of the need for the stricter observation of the START treaty by the USA. He added that the American side holds back allocations on the conservation of Russian nuclear submarines as well as on the construction of housing for Russian army officers.

On the US embargo on trade with Iran Rybkin said that he made the concerns of the American side known to the Russian president and that these concerns will be studied once again. He said, however, that Russia intends to sell Iran a light water nuclear reactor of exactly the same kind as the USA is delivering to South Korea.

According to Rybkin, the Russian-Iranian nuclear deal was examined by experts from the International Nuclear Energy Agency which found nothing wrong about it.

Differences With U.S. Eyed Prior to Summit

MM0505102295 Moscow ROSSIYSKIYE VESTI in Russian 5 May 95 p 3

[Article by Ilya Baranikas: "The Success of the Reforms in Russia Is in U.S. Interests, and That Is Why President Clinton Is Going to Moscow"]

[FBIS Translated Text] New York—It cannot be said that Americans are particularly interested in Bill Clinton's May visit to Russia. The American people are not greatly interested in politics anyway, and least of all in international politics. A poll conducted in March by the Times Mirror publishing corporation revealed that only 9 percent of respondents read the news in newspapers; only 21 percent regard the television as a source of news.

Russia and the United States: A Long Way From Unanimity

Various things are being said and written about Bill Clinton's forthcoming visit to Russia. When, after much hesitation, the White House decided to go through with the visit, THE NEW YORK TIMES, in an editorial, cited arguments in favor of Clinton's going. The gist of them is that although the United States and Russia have serious differences, it is necessary nevertheless to continue the dialogue. President Clinton must put on record his disagreement with the war in Chechnya, with deliveries of Russian nuclear technology to Iran, and with Russia's stance on NATO not by refusing to go, but in the course of personal contacts with the Russian leadership in Moscow.

But there is an opposing view. When Strobe Talbott, U.S. deputy secretary of state, returned from a trip to Russia in the first half of April journalists sought in vain an official assessment of the trip's results. Talbott reported to the President and his immediate aides at a conference behind closed doors. But the diplomats who

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had accompanied him "leaked information" about Russia's "intransigence" on the Chechen war, deliveries of nuclear reactors to Iran, and the eastward expansion of NATO.

Analyzing the state of bilateral relations between Washington and Moscow, THE NEW YORK TIMES noted the other day that they are "the worst they have been since the breakup of the Soviet Union."

Chechnya—An Internal Matter for Russia, But the War Must Be Stopped

As for Chechnya, it should be said that the White House, from the very start of the Chechen war, has acknowledged Russia's right to establish order in a rebellious province. At the same time, the Clinton administration believes that the Russian leadership should settle the Chechen crisis by means of talks with the rebels.

When Russian Foreign Minister Andrey Kozyrev visited Washington last week, his U.S. colleague, Secretary of State Warren Christopher, made it absolutely clear that the three-week cease-fire in Chechnya declared by the Russian president was a good start, but it was not enough: What was needed was a total cessation of hostilities and the start of talks on a peaceful settlement.

The legislators on Capitol Hill are even more resolute. In the view of Republican congressmen and senators (and they are in the majority in Congress), the Democratic President and his administration are making unwarranted concessions to Moscow. There are calls for the suspension of U.S. economic aid to Russia, and it is not inconceivable that if the Chechen war continues this will become the predominant view in Congress.

Iran—A Country Labeled "International Villain"

Washington is pressing for cancellation of the contract whereby Russia is to supply Iran with two nuclear reactors worth around $1 billion. As TIME magazine noted, the U.S. Administration understands Moscow's wish to go through with this profitable deal, because it is short of funds, but it cannot understand how Russia can supply nuclear technology to a country that is on the list of "international villains" and is on a par with Iraq and Libya.

"The administration's view," THE NEW YORK TIMES pointed out the other day, "is that an oil-producing country like Iran fully meets its own energy needs and therefore the only possible reason for wanting to acquire reactors... is to develop nuclear weapons."

This authoritative newspaper also announced, citing sources in the Clinton administration, that the head of the Russian Atomic Energy Ministry had promised Tehran equipment for the enrichment of uranium. Now that is the direct route to an atom bomb.

U.S. fears are aggravated by reports (for example, in the weekly U.S. NEWS AND WORLD REPORT) on a secret nuclear facility in northern Iran, near the Caspian coast. It is allegedly hidden in a tunnel driven into a mountainside, and nuclear scientists from the former USSR, China, and North Korea are working there.

Who Is NATO Defending Itself Against?

Only recently, on 18 April, Bill Clinton again reiterated that Russia has "nothing to fear" over a number of countries' joining the "Partnership for Peace." NATO is not an "offensive alliance," the U.S. President said. According to him, America has repeatedly displayed goodwill in relations with Russia, but "we cannot give any country the right to veto the expansion of NATO."

Russia goes along with it on the matter of a veto—it is not seeking that right. Although Russians (like many Americans as well) do wonder why NATO exists at all in the modern world. If the aggressive system which the West united to counter within the framework of the NATO military bloc has collapsed, what is the purpose of the bloc now? It appears that even NATO top officials cannot give an intelligible answer, but the bloc exists "just in case," and it is even expanding.

"If Russia Fails, the United States Will Lose Out Too"

The three problems we have discussed are not the only ones on the list of American-Russian differences. For example, there is the problem of the Treaty on the Reduction of Armed Forces and Armaments in Europe: Recently Pavel Grachev called into question Russia's fulfillment of its commitments before the end of the war in the Caucasus. U.S. and Russian interests do not coincide on the matter of oil extraction in Azerbaijan and Central Asia—each country wants maximum profits for its own companies. There is much else that prevents one from calling the United States and Russia allies. But there is something more important: They are two nuclear powers, countries with special authority in the international arena. They have no alternative but to seek and find balanced mutual interests.

In conclusion let me cite Lee Hamilton, a prominent Democratic congressman and member of the House of Representatives Foreign Affairs Committee: "If Russia keeps moving in the direction of a free society and market economy the United States will benefit. There will be less danger of a nuclear war and the United States will be able to cut expenditure on defense, acquire new export markets, and broaden cooperation in the solution of regional and global problems. If Russia fails, the United States will lose out too."

Bill Clinton is going to Moscow so that his country does not end up losing out.

PRC's Jiang Zemin To Meet Yeltsin, Not Clinton

LD0405142395 Moscow ITAR-TASS in English 1357 GMT 4 May 95

[By Andrey Kirillov]

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[FBIS Transcribed Text] Moscow, May 4 (Itar-Tass)—Chinese Chairman Jiang Zemin is expected to meet with Russian President Boris Yeltsin in Moscow, but he would not be able to hold talks with U.S. President Bill Clinton because of the lack of time.

A high-ranking Russian Foreign Ministry source told Itar-Tass that Zemin arrives in Moscow to attend festivities of the 50th anniversary of the V-Day, as one of the five permanent members of the U.N. Security Council, who have been invited to the Russian capital.

At the same time, the source said "the Chinese Chairman's visit reflects the high level of our bilateral contacts."

It has been not ruled out that during the stay in Moscow Zemin will meet with President Yeltsin. If such a meeting is held, the two sides will discuss the most important issues of Russian-Chinese relations and the prospects for their further development. Although it will be a brief, but a specific and business-like meeting, the source noted.

The Chinese Chairman will leave Beijing for Moscow in the afternoon of May 7, Itar-Tass correspondent Aleksandr Romanov reported from the Chinese capital. An announcement to this effect was made by a Chinese Foreign Ministry spokesman at a briefing today.

Speaking about the possibility of a meeting between Jiang Zemin and U.S. President Bill Clinton during their stay in Moscow, the spokesman said that the Chinese side did not discuss this issue as the Chinese leader's visit programme in Russia will be quite busy.

Foreign Leaders To Attend May Celebrations

LD0405180295 Moscow ITAR-TASS in English 1718 GMT 4 May 95

[By Dmitriy Gorokhov and Yuriy Kozlov]

[FBIS Transcribed Text] MOSCOW, May 4 (Itar-Tass)—Leaders of over 50 states throughout the world—Russia's allies in its struggle against Nazism—will attend Moscow celebrations of the 50th anniversary of the Nazis defeat, Russian Foreign Minister Andrey Kozyrev said on Thursday. He spoke at a veterans meeting at the Foreign Ministry marking the upcoming date.

"The anniversary of the Victory is actually a joint holiday for nations throughout the world, because the peoples have never had an enemy which would be more dangerous and cunning than fascism," Kozyrev said. "A decisive contribution to its (fascism's) defeat has been made by the peoples of the Soviet Union."

Kozyrev reaffirmed that Russia intended to closely interact with its former allies within the anti-Hitler coalition. "We will do everything to be viewed as partners and allies in fight for security and peace", he stated adding, however, that "a formula of partnership is still to be found".

Along with leaders of countries—members of the Commonwealth of Independent States—the Moscow celebrations will draw top officials from all the allied states and leading European powers. Present will be U.S. President Bill Clinton, French President Francois Mitterrand, British Prime Minister John Major, Chinese Chairman Jiang Zemin, Canadian Prime Minister Jean Chretien, and the United Nations Organization Secretary General Butrus Butrus-Ghali, Tass learnt from sources at the Foreign Ministry.

Honourable guests will also include German Federal Chancellor Helmut Kohl, Italian President Oscar Luigi Scalfaro, Israeli President Ezer Weizman, Greek President Konstandinos Stephanopoulos, Cypriot President Glavkos Kliridhis, Turkish Prime Minister Tansu Ciller, and Indian Foreign Minister Pranab Mukherjee.

Albanian, Bulgarian, Romanian, Hungarian, Slovak and Czech delegations will be headed by the countries' presidents, and the Polish delegation—by the head of the cabinet. The Moscow celebrations will also bring together leaders of all independent states which emerged in Yugoslavia after its collapse.

Russia Refuses To Cancel Nuclear Deal With Iran

LD0405140495 Moscow INTERFAX in English 1334 GMT 4 May 95

[FBIS Transcribed Text] MOSCOW, May 4 (Interfax)—The claim of the US ambassador to the UN Madlene Allbright during her visit to Israel that Russia is ready to give up the delivery of light water nuclear reactors to Iran in exchange for appropriate compensation has aroused bewilderment in Moscow. The official Russian Foreign Ministry spokesman Grigoriy Karasin stressed at a Thursday briefing in Moscow that it is clearly the fruit of the ambassador's imagination.

According to him, Russia did not request any compensation. As Foreign Minister Andrey Kozyrev confirmed during his recent visit to the USA, Russia does not intend to give up the delivery of reactors to Iran. "Russia will not cancel its decision, even in the face of threats from foreign countries," Karasin stressed.

He quoted the minister as saying that Russia is not going to take steps that would allow Iran or any other country to develop their nuclear military programs. "Our readiness to take all necessary steps on the basis of transparency to rule out the formation of Iran's nuclear potential remains unchanged," the diplomat stressed.

Karasin said that Iran is a side to the nuclear nonproliferation treaty and all its nuclear activities are approved by the International Atomic Energy Agency [IAEA]. "The IAEA has no complaints about Iran in this respect," the spokesman said.

Considers More Control Over Plant

LD0405140595 Moscow INTERFAX in English 1249 GMT 4 May 95

[FBIS Transcribed Text] MOSCOW, May 4 (Interfax)—Moscow sees no reason for revising its contract signed

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with Iran to give aid in building a nuclear power plant in the city of Bushehr; it believes however that additional measures may be taken at Washington's insistence to limit the possibility of proliferating nuclear technologies.

"In the long run Russia is not interested in the emergence of a nuclear neighbor on its southern frontiers," a high-ranking member of Russia's Foreign Ministry told Interfax on Thursday.

According to him, "in itself the contract for the construction of a nuclear power plant in Bushehr is absolutely clear; it does not provide for supplying Iran with dual purpose equipment." "For the sake of objectivity it should be mentioned that, as a loyal signatory to the Nuclear Non-Proliferation Treaty open to International Atomic Energy Agency inspections, Iran has given no grounds to doubt the peaceful character of its nuclear program," the diplomat said.

Nevertheless he said that Moscow may decide to meet Washington halfway and introduce additional measures of control over the construction of the nuclear power plant in Bushehr with a view to calming American and international public opinion. "We could, for example, freeze the contract, if facts casting doubt on the peaceful nature of Iran's nuclear program are revealed during its implementation. It is obvious, however, that today there are no such facts," the diplomat said.

According to him, "there are also reasons for thoroughly analysing the Russian Nuclear Energy Ministry's plans to give Iran aid in training nuclear physicists." "In my view, we must not be in a haste to carry them out," the expert stressed. "If these plans begin to conflict with Russia's national interests, they will be duly corrected."

This material appears in full in today's edition of Interfax's Diplomatic Panorama.

No Dual-Purpose Nuclear Equipment

LD0405142095 Moscow INTERFAX in English 1249 GMT 4 May 95

[FBIS Transcribed Text] MOSCOW, May 4 (Interfax)—Russia has no plans to supply the Iranian nuclear power plant in Bushehr with uranium-concentration centrifuge or equipment which can be used for military purposes, Russia's First Deputy Minister for Atomic Energy Lev Ryabev told Interfax on Thursday.

He said that the possibility of training Iranian nuclear physicists was being discussed. "However, no documents have been signed on the matter," he said.

He said that "most of the Iranian nuclear physicists have undergone training in the West." "It would be natural if they learned to operate Russian-made equipment which will be installed in Bushehr," he said.

He announced that the Ministry for Atomic Energy was not planning to give up the contract with Iran. "VVER light-water reactors which will be supplied to Iran do not differ from the reactors which the U.S. intends to supply to North Korea within the framework of the project for reorienting the North Korean nuclear program," he said.

He also said that Russia would welcome tougher international control over the construction of the Bushehr nuclear power plant and ensure the maximum openness of the construction site. It would also welcome a stricter control over nuclear materials to be used after the nuclear power plant is put into operation.

To quote Ryabev, only preparatory work is underway in Bushehr. "We have not laid a single brick in Bushehr yet," he said.

Moscow Denies Link Between Reactors to DPRK, Iran

LD0505084495 Moscow ITAR-TASS in English 0724 GMT 5 May 95

[By Andrey Kirillov and Vladimir Solntsev]

[FBIS Transcribed Text] MOSCOW, May 5 (Itar-Tass)—Moscow is ready to deliver light-water reactors to North Korea and does not intend to use the issue as a card to be played in a game for its nuclear deal with Iran, a high-ranking Foreign Ministry official told Itar-Tass.

"I can categorically deny any linkage between the possible delivery of Russian light-water reactors to North Korea and Russia's cooperation with Iran in the nuclear field," he said.

As concerns the re-orientation of the North Korean nuclear programme which is the subject of talks between the United States and North Korea, the Russian diplomat noted that Moscow "is not directly involved in the talks, but it is closely following the process".

"We hope that a decision would be made which would ensure the non-nuclear status of the Korean peninsula," the Russian diplomat said.

He stressed that Russia, which has accumulated a wealth of experience in cooperating with North Korea in the field of peaceful uses of nuclear energy, "has grounds to hope that it will deliver its reactors to North Korea".

The U.S.-North Korean talks in Berlin concerning the replacement of the North Korean graphite-moderated nuclear reactor which is potentially capable of producing weapons-grade plutonium with light-water reactors which cannot, were interrupted last month because the United States insisted on North Korea's acceptance of South Korea-manufactured reactors, while Pyongyang, for its part, regarded that stance as "unrealistic" and repeatedly stressed its desire to get reactors from Russia.

The Ministry of Foreign Affairs of the Russian Federation last month expressed concern about the situation which has arisen in talks between Washington and Pyongyang.

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The American press recently carried reports to the effect that "if the Russians give up their deal with Iran, they will be able to obtain a special favour relating to the light-water reactor building project in North Korea".

These reports were officially rejected by the U.S. Department of State, which at the same time confirmed that Washington would welcome Moscow's participation in modifying the North Korean nuclear programme "within an agreed framework".

Ministry Denies Gas Centrifuge Deal With Iran

LD0505103795 Moscow ITAR-TASS in English 1012 GMT 5 May 95

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW May 5 (Itar-Tass)—A Russian Atomic Energy ministry official denied Friday Western claims that Moscow is going to construct gas centrifuges in Iran which can help it obtain weapon-grade fissile materials and said the hullabaloo around the Russian-Iranian nuclear reactor deal was caused by competition, while the concern over the possibility that Baghdad can create its own nuclear weapons was used as a cover.

"We did not negotiate shipments of the centrifuges and the ballyhoo around them only confirms that an acute competitive struggle is going on the market of hi-tech power-engineering equipment", spokesman of the ministry Georgiy Kaurov told Tass Friday.

He also said that the contract on shipping Russian light-water reactors for the Iranian nuclear power plant in Bushehr envisages that the used fuel is to be sent back for processing in Russia. "Only vitrified waste will be sent to Iran for burial", he said adding that "such a technology can be controlled and is practised by a number of countries possessing nuclear reactors".

Kaurov believes Russian officials at all levels should by no means cede to US pressure and should continue protecting the reactor deal which is in the Russian national interests.

"All methods are used in competition, including political pressure at the top level", Kaurov said referring to the upcoming Russian-US summit where the nuclear deal is to be discussed.

He stressed that if Russia drops the deal with Iran, the light- water reactors will then be shipped by China. "If China also fails to do that because of competition, then the equipment for the Bushehr plant will be offered by Japan, South Korea or the United States", the spokesman said.

"Therefore, one should react to any statement (on the deal) in a reserved way and protect the national interests at all levels, like it is done by the business and political circles of the United States and other countries with a rich experience in competition", Kaurov said.

"Iran is a southern partner of Russia and it is profitable for us to maintain friendly relations with it", according to the spokesman.

U.S. 'Imperialist Ambitions' Behind Iran Dispute

MK0505110795 Moscow SEGODNYA in Russian 5 May 95 p 1

[Report by Pavel Felgengauer in the "Partnership" column: "Gas Centrifuges for the Iranian Nuclear Bomb. Moscow and Washington Exchange Courtesies"]

[FBIS Translated Text] A highly placed official representative of the U.S. Administration, speaking at a press briefing on condition of anonymity, said Wednesday in Washington that "Russian Nuclear Power Minister Viktor Mikhaylov promised to deliver to the Iranians gas centrifuges for separating isotopes, which can enrich natural uranium to weapons-grade condition." He stressed especially that "Russia earlier told Washington about the contract for the delivery of reactors for the Iranian nuclear power station in Bushehr, but kept silent about the contract to build an enrichment plant until the United States itself obtained some information and presented it to the Russians."

Valeriy Bogdanov, a spokesman for the Nuclear Power Ministry and the minister's special assistant, told SEGODNYA's correspondent that "U.S. statements do not correspond to reality." Russia did not sign a contract with Iran: There is only a protocol of intent.

In 1990 the Iranians discovered a natural uranium deposit in the province of Yezd and recently asked Russia to "consider the possibility of cooperation" in developing it. On 8 January 1995 in Tehran Viktor Mikhaylov and Iran's Vice President Reza Amrollahi held negotiations and signed a protocol, which, among other things, speaks about the intention "to prepare a contract to build a uranium mine in Iran, after which negotiations are to be held on signing a contract to build a centrifuge uranium enrichment plant based on conditions analogous to those envisioned under contracts concluded by Russian organizations with firms in third countries." Valeriy Bogdan stressed that not even the contract to build a mine has been signed yet because Iran has no money. The contract on terms for the delivery of Russian nuclear fuel for the reactors of the future nuclear power station in Bushehr has not been signed either.

Such negotiations are held regularly within the framework of the Russian-Iranian agreement on the peaceful use of atomic energy, but things have not thus far reached the point of serious cooperation because Iran is perennially short of funds. People in the Nuclear Power Ministry, however, believe that Tehran will eventually find the funds to pay for the completion of the Bushehr nuclear power project. At present Iran fully complies with the standard IAEA demands and, in addition, it has recently announced that it will allow this international

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organization to hold "surprise" inspections on its territory. Sources at the Nuclear Power Ministry ascribe the United States' ultimatum-like demands to abandon cooperation with Iran to imperialist ambitions and the intention finally to ruin the Russian nuclear industry.

Moscow and Washington are making serious preparations for the 9 May summit, in the course of which both sides will undoubtedly score considerable diplomatic successes. The United States will secure from Russia a pledge to abandon a non-existent centrifuge contract, while Moscow for its part will confirm its right to sell the nuclear reactors. Right-wing radicals and nationalists in both countries will get new proof that Russians (Americans) cannot be trusted.

Iranian Reaction to U.S. Sanctions Call

NC0505081695 Moscow Voice of Russia World Service in Persian 1500 GMT 4 May 95

[Commentary by Sergey Viktorov]

[FBIS Summary] President Bill Clinton's recent speech on Washington's economic sanctions on Iran was a major topic of world interest to which many countries reacted. But let us see how Tehran reacted. "On Tuesday [2 May] President 'Ali Akbar Hashemi-Rafsanjani stated that the Islamic Republic is not worried about U.S. decisions, since it has extensive economic, technical, and scientific potential." Hashemi-Rafsanjani said the decision would have no impact on Iran's presence in the oil market because of the world's "great need" for this product. "The Iranian leader said: The U.S. plot against Iran as well as its efforts to impose its policies on others, particularly on developed countries within the framework of the so-called new world order," has failed.

"It should be said that when President Hashemi-Rafsanjani speaks of the growing need for black oil in the world market, he is right, since developed countries that will want to support the U.S. embargo on Iran must search for other sources of oil; the possibility of the oil-exporting countries seizing the opportunity to raise prices cannot be ruled out." Those countries that are unwilling to follow Washington could buy their oil at lower prices.

"In view of these and other considerations, the developed countries, most notably American NATO allies, such as Britain and Germany, are not rushing to support the U.S. decision; some have even said they disagree with this decision."

'Vremya' Commentary on Nuclear Reactor Deal

LD0405203995 Moscow Russian Public Television First Channel Network in Russian 1700 GMT 4 May 95

[From the "Vremya" newscast]

[FBIS Translated Text] [Announcer] As the Russian-American summit draws nearer, Washington is pressing Moscow more and more over the question of renouncing the supply of nuclear reactors to Iran.

[Correspondent Igor Rostovtsev] One gets the impression that the United States sees these reactors like a red rag to a bull. It is, naturally, not a matter of the recent mutual enmity between Washington and Tehran. Before the embargo which was imposed recently trade was still going on between them, and quite vigorously. On the other side of the coin is the increased criticism of the Clinton Administration inside the country for its allegedly soft policy towards the Iranian regime. After all it is Iran that the United States considers to be the main financier of world terrorism. On the other hand, the scandal is clearly of advantage in order to place in question the security of the Russian nuclear industry. The following conclusion suggests itself: the Americans are afraid not of the mythical Iranian nuclear bomb but of advanced Russian technology that is capable of competing successfully on the world's markets.

[Begin recording] [Rostovtsev] Are the claims by the United States that our contract with Iran opens the way to it for the production of nuclear weapons justified?

[Georgiy Kaurov, head of a directorate of the Nuclear Power Industry Ministry] No, in no way. First, the fact is that Iran does not have the technology which would enable them to make nuclear fuel suitable for nuclear weapons. And second, the kind of fuel that would be made in a reactor which would be built in Iran—in Bushehr—it would be under the control of the IAEA and would be returned to Russia for processing, and the extraction from it of plutonium and uranium. The waste would be sent back to Iran for burial. As far as the centrifuge is concerned, and all the talk which is being heard from the United States regarding the fact that we are preparing to build centrifugal production facilities in Iran, this is not true, because no contracts or agreements on this question have been signed. And you can have discussions on any subject, and in this instance these are just empty words. [end recording]

Iran Nuclear Deal, U.S. Relations Analyzed

954F2208A Moscow MOSKOVSKIYE NOVOSTI in Russian No 24, 2-16 Apr 95 p 13

[Article by Sergey Strokan: "Tehran-95: Wind Southerly. Gusty..."]

[FBIS Translated Text] William Perry, head of the U.S. military department, did not manage to break through the Kremlin's "echeloned defenses" on the question of the nuclear deal with Iran. The results of Perry's visit to Russia showed that relations with Washington cannot remain for Moscow a "sacred cow" as it turns increasingly toward the third world.

Just before his spring vacation Boris Yeltsin declared that the question of the sale of nuclear reactors to Iran would cause the greatest difficulties during his upcoming meeting with Bill Clinton. With this the president went

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on leave, leaving it to Chernomyrdin to work out the counter-arguments on the "Iran issue" with William Perry. The U.S. defense secretary tried doggedly to persuade the Russian prime minister and his colleagues that it was pointless building a nuclear power plant for Iran, which is "awash in oil." Assistance to Tehran on the part of Russia, Washington is convinced, would help Iran satisfy its nuclear ambitions, take a step toward the creation of an "Islamic bomb," and in this way destabilize the situation in the region.

Chernomyrdin, however, was adamant. Like other national politicians also, whose words, had they been spoken about three years ago, would at that time have seemed unprecedented impertinence (we will be punished, we will not be given the 24 billion, and that will be an end to the reforms). Now, however, they were received calmly, on the whole. Shumeyko parried Perry's arguments, calling them "kitchen talk." And Kozyrev, who not that long ago was talking about the "southern belt of instability" created by countries like Iran, is today with no less assurance talking about the peaceful nature of the nuclear cooperation with Tehran.

Rare unanimity with the executive was displayed by the legislators also. On this occasion Lukin, Kozyrev's long-standing opponent, spoke in unison with the minister: "Russia has no less of an interest than the United States in Iran's compliance with the Nuclear Nonproliferation Treaty. But Washington should have no grounds for concern in connection with the supply to Iran of Russian reactors inasmuch as the United States itself is attempting to foist such reactors of South Korean make on the DPRK."

Having seen the resolve of the Russian side, Perry was not about to exacerbate the situation, declaring that the disagreements on this matter should not be reflected in Russian-American relations.

Diplomacy as a Screen for Business

Washington has been trying with might and main in recent years to impede relations between Moscow and Tehran. The White House reacted irritably to the reports of the sale of Russian submarines to Iran. Moscow's admittance to the new export-control procedures in place of the notorious Cocom, which was abolished last year, has been hedged about with the condition that it terminate its cooperation with Iran in the sphere of the latest technology. Finally, the attempt to prevent implementation of the contract for the construction of a nuclear plant in Bushehr in southern Iran logically fit within Washington's efforts aimed at isolating Iran from important potential partners.

This policy is explained in Washington by concern for security in the Persian Gulf. But the proposition concerning the "peacemaking spirit" of American policy proves very vulnerable if the none-too- distant past is recalled. Iran's buildup of its military power reached its peak not under the present regime but in the 1970's under the shah, and it was realized mainly with the aid of American transnational companies (Northrop, Lockheed, General Electric, Bell Helicopter, Grumman). Iran's military industry, growing rapidly on American yeast, put the emphasis on the air force and included helicopter manufacturing, missile and aircraft engine servicing and maintenance enterprises, and so forth. In this period Iran moved into first place in the Near East (except, perhaps, for Israel) in terms of arms imports. When, in 1979, the Islamic revolution occurred in the country, American arms manufacturers had in hand contracts with Tehran worth a sum total of $17 billion!

One of the first foreign policy initiatives of the new Iranian regime, which declared the United States "Enemy No. 1," was the cancellation of these deals....

But the Americans continue to hope for a return in full to Iran, for which, incidentally, even today the United States, despite everything, remains the leading trading partner (on a par with Japan). For this reason it is not allowing strong competitors to come near Iran, rocking in passing the disloyal "Islamic regime" and stoking rumors concerning the "Iranian threat." Once again the anti-Iran rhetoric of the United States is confounded by statistics. From 1987 through 1991 Iran spent $2.8 billion on arms purchases, whereas for Saudi Arabia and Iraq these figures constituted $10.6 billion and $10.3 billion respectively. Nor are the Gulf's "small countries" stinting on money for arms. In 1992 tiny Kuwait purchased from the United States 236 M1-A2 tanks for a total of $4 billion.

Present-day diplomacy is merely a thin screen, behind which businessmen do their business, a grandee of international diplomacy said. The events surrounding diplomatically besieged Iran, at whose back door a long line of leading companies of West and East is forming, are the best illustration of this.

Moscow's New Stakes

Russia also, which has in recent months stepped up contacts with Tehran sharply, is attempting to hold on to its opportunity in the struggle for the Iranian market. Arkadiy Volskiy, president of the Union of Industrialists and Entrepreneurs, who was in Tehran at the start of March, secured important agreements, on the manufacture of Il-114 aircraft in Iran in particular. If these agreements are realized, Il-114, Yak-40, and Yak-42 Russian-model aircraft will cover up to 80 percent of the country's air transportation. Russia has confirmed its readiness to sell Tehran a third diesel-powered submarine if advance payment is paid. It is highly indicative that Volskiy attempted to present himself as an "aggressive industrialist," publicly declaring that Russia's business circles are unhappy with Tehran's decisions to give preference to Italian firms in work at the Isfahan Foundry, and to China, in the construction of the Tehran Metro. As far as the contract for the construction of a nuclear plant in Bushehr is concerned, it was one of the principal points of the negotiations.

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Had Moscow yielded to William Perry's pressure a month after Volskiy's visit to Tehran, this would certainly have undermined the Iranians' faith in the dependability of Russia as a business partner. But this did not happen. Why? We would recall that 18 months ago in a similar situation Moscow "gave up" under pressure from Washington the cryogenic deal with India, of whose peaceful nature specialists had no doubt (just as the IAEA does not today doubt the peaceful nature of the Russian-Iranian nuclear deal). We would recall that subsequently the American side handed Moscow a list of a further 12 contracts with "third countries" which were causing it concern and were to be reconsidered.

Moscow has today lost its former sensitiveness to such recommendations. And the reason, it would seem, is not only the cooling of Russian-American relations, when we have already grown accustomed to disagreements (be they problems of the expansion of NATO or something else). Russian-American summit meetings have lost their former aura. The multibillion-dollar assistance simply never reached Russia. Under the pressure of obvious facts the Kremlin has begun to understand, it seems, that Russia may find far more resources and real, not "virtual," partners in a direction which until recently was considered in Russian foreign policy to be peripheral and to distract from entry "into the civilized world." This direction is the "developing South."

In this context Russia's relations with Iran, in which there have been bigger events since the start of 1995 than in the past five years put together, could be a kind of divide for Russian foreign policy.

Rybkin Said To Ship Goods From U.S., Not Aid

MM0505105595 Moscow IZVESTIYA in Russian 5 May 95 pp 1-2

[Report by Vladimir Nadein: "The Price of Nomenklatura Flights to the United States Goes Up, Up, Up. Duma Speaker Ivan Rybkin Brings Back Furniture From America Instead of Humanitarian Aid for Children"—last three paragraphs are IZVESTIYA afterword]

[FBIS Translated Text] Washington—"We have done sound, good work," State Duma Chairman Ivan Rybkin said of his stay in the United States.

He spoke to your IZVESTIYA correspondent shortly before the gala dinner given by the Russian Embassy at its own expense in honor of the eminent visitor. Embassy funds also covered the costs of transporting the dacha furniture that the Duma speaker bought in a store in Rockville, Maryland, not far from Washington. Who paid for the purchase and how? The store owner told me that he does not think that he has the right to reveal whether the furniture was paid for in cash, by personal check, or by credit card. As a favor, personnel at the Russian Embassy in the United States met the cost of loading the furniture into a truck and unloading it at Andrews Air Force Base, which is used by the highest-ranking visitors to the United States.

The schedule for Ivan Rybkin's visit was mapped out from his arrival Sunday to late Wednesday night, but the speaker cut short his stay in America by a day, citing urgent business in Moscow. Some delegation members, among them the chairmen of State Duma commissions, said that they knew nothing of the reasons for the shortening of this visit or about any new circumstances. It was also hypothesized that the guard at the Andrews Air Force Base, which maintains special security procedures and is notable for being particularly strict, may have complained about the long-term storage of the especially large containers.

However, people at the embassy, for whom freight-handling problems are part of the job, think that the Americans have nothing to do with it. They think that members of Ivan Rybkin's entourage were simply afraid of conflict because of the promise that this flight would carry a humanitarian aid shipment to Russia for children.

Collecting this kind of aid is a relatively simple task in America. Embassy warehouses have already stockpiled plenty of clothing, toys, medicine, footwear, and other similar goods destined for distribution in Russian children's homes. However, the journey is so costly that you have to wait for a suitable opportunity.

You would have thought that special-purpose flights offer such an opportunity. Where else could you find room for children's gifts other than in the hold of the particularly large special-purpose aircraft paid for out of the country's taxes?

But it somehow looks as though this is less of a real than an imaginary opportunity. Many special-purpose aircraft suddenly appear in and just as suddenly disappear from the skies over Washington. Others go off at a tangent, as it were—from Moscow to Moscow, with a stopover in Honolulu.

But the main point is that they are often simply totally overcrowded. It is a sign of sound political health to take with you as many officials and as large an entourage as possible. Anatoliy Chubays simply stripped Moscow bare for a week; he did not leave a single influential economic boss there. There were 57 people in Rybkin's plane.

But that is far less than Vladimir Shumeyko, leader of the Federation Council, took with him last summer. However, there is an explanation for that. A key part of Vladimir Shumeyko's visit was a collective visit to Disneyland, Universal Studios, and the soccer World Cup—all at taxpayers' expense. The delegation led by Ivan Rybkin spent a spring evening on a motor ship on the Potomac River—a meal was organized there. A stadium is indisputably roomier than a ship.

People in the country that Vladimir Shumeyko and Ivan Rybkin visited in order to exchange experience, as it were, would sack embezzlers. But in our country they are legislators.

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Although wanting to buy something abroad for your own personal needs is quite understandable and in no way reprehensible, the Duma speaker's furniture is part of interparliamentary relations. Anatoliy Chubays, who visited Washington before Rybkin, frequently stressed here with a legitimate sense of pride that the Russian market has 96 percent of the goods it requires. Speaker Rybkin's purchases may quite well be part of the 4 percent that discredits our transitional economy. But he should nonetheless pay for the loading and transportation of large property.

Vladimir Shumeyko significantly asserted that airline tickets cost money, but a special-purpose aircraft is virtually free of charge. For whom, one wonders?

When Mr. Averyanov, one of Rybkin's trusted economic managers, ordered Rusina Volkova, second secretary at our embassy, to leave aside 106 boxes of gifts for children and load his boss's furniture into the aircraft, he not only displayed the personal devotion so valued in our country. He also displayed valor, courage, and fearlessness. Embassy Second Secretary Rusina Volkova had spent three days without a breather with her colleagues collecting together and packing up U.S. charitable gifts for the flight. "You would do better giving voters this furniture!" she said indignantly to Averyanov, but he paid no heed.

Now a word about valor. On the eve of Victory Day there will be a presentation at the embassy of awards to veterans of the Patriotic War, former Soviet citizens now resident in the United States. During his last visit President Boris Yeltsin won an ovation by promising to appoint a special commission to restore these peoples' awards, which were illegally taken away from them.

The ovations have died down and the promises have not been fulfilled. But the pill has been sugared a bit for the 50th anniversary. Without recalling previous awards, which were won in combat and are therefore the most prized, it was decided to give some people new anniversary awards. The lucky recipients were notified in advance and invited to attend the solemn ceremony.

But five have already been sent packing. Not because they proved unworthy—but because they drew the short straw. In Washington Ivan Rybkin suddenly remembered that he had not brought with him any awards for his pleasant U.S. interlocutors. He ordered that they be given the medals that had been allocated for the former Soviet veterans. His instructions were carried out. And five old men are beside themselves with grief.

Old and young do not count in big-league politics. It is just a matter of interests.

IZVESTIYA's correspondents in Moscow checked out the information from Washington and got confirmation from reliable sources.

When the editorial office asked the Duma chairman to comment on the situation, I. Rybkin's Press Secretary D. Biryukov said that it had been decided not to comment. In this sensational saga the Main Protection Directorate [GUO] was named among the culprits; its representative allegedly gave the order for the humanitarian aid shipment to be taken off the plane. GUO spokesman S. Devyatov told IZVESTIYA correspondent Vasiliy Kononenko that his colleagues, who guard top officials, have no right to issue such orders and could not have done so. Their concern is to protect the special-purpose aircraft against sabotage, prevent dangerous freight from getting on board, and so on. Consequently, the order to replace the humanitarian aid with the purchases made by the Duma speaker and his comrades could only have come from the so-called delegation leader (he is appointed when the list of members of the entourage is drawn up), who deals with the organizational side of the visit. Regrettably, the Duma apparatus and its press service refused the editorial office's request to hand over the list of delegation members.

Nuclear Power Plant Built in PRC With Assistance

LD0505073895 Moscow ITAR-TASS in English 0633 GMT 5 May 95

[By Aleksandr Romanov]

[FBIS Transcribed Text] BEIJING, May 5 Itar-Tass—Russia will grant credits for the construction of a new nuclear power station which will be the third nuclear power station built in China. The new station will be constructed in the south of the Chinese province of Liaoning in northeast of the country. It will be situated near the city of Wafandian, 50 kilometers away from the Bohai gulf.

Apart from credits granted by the Russian government the construction of the new nuclear power station will be financed by the Chinese corporation for the use of nuclear energy, the government of the province of Liaoning and the north-eastern Energy corporation. The overall amount of investments into the project is expected to reach 27 billion yuans.

Russia has committed to carry out the assembly of technical equipment. The operations will be carried out by Russian engineers with the assistance of experts from a scientific design institute under the Chinese corporation for the use of nuclear energy and the north-east design energy institute. Two Russian-made nuclear reactors are expected to be mounted at the first stage of the construction of the new station. The design capacity of each of the four nuclear reactors is one million kilowatt. Two other active Chinese nuclear power stations situated in Qinshan and Dayawan have an overall capacity of 2.1 million kilowatt.

Yazov on Possibility of Ukraine, Belarus in NATO

MM0405140095 Moscow PRAVDA ROSSII in Russian 4 May 95 p 3

[Interview with former USSR Defense Minister Dmitriy Yazov by military observer Boris Golyshev; no date, place given: "We Will Survive These Troubles Too"]

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[FBIS Translated Excerpt] Marshal of the Soviet Union Dmitriy Yazov, USSR defense minister and participant in the Great Patriotic War, answers questions from Reserve Major General Boris Golyshev, the newspaper's military observer. [passage omitted]

[Golyshev] You were the last USSR defense minister. What is your assessment of officers' position in those August days of 1991?

[Yazov] I do not think that I was the last USSR defense minister. I believe that a Union state will be reborn and there will be another defense minister. We still have to defend one-sixth of the planet and its riches.

[Golyshev] What do you mean?

[Yazov] That not only has NATO not been disbanded simultaneously with the Warsaw Pact, but on the contrary it is getting stronger and approaching Russia's borders. But the most terrible thing will happen if Ukraine and maybe Belarus are drawn into NATO. An attempt is thereby being made to set Slavs against each other. If this happens it will mean a catastrophe for our fraternal peoples.

[Golyshev] Nevertheless, why in 1991 and 1993 did officers effectively agree to replace a system to which they had sworn allegiance?

[Yazov] There are many reasons. First, few people expected that perestroyka would turn into betrayal. Second, and most importantly, officers and the entire Army were trained to defend the country from an external enemy. Third, in strengthening the country's defense we achieved highly professional cadre training. But we evidently lost the officer as an individual and as a figure of state importance. Before the war an officer was something special in society. In postwar years officers have had a rough ride. Sometimes they have felt like ordinary workhorses rather than powerful people. In recent years the mass media has simply pilloried them. I believe that officers will still have their say in defending our Soviet motherland. [passage omitted]

Yugoslav Crisis May Be Resolved 'By Means of Force'

LD0405133995 Moscow ITAR-TASS in English 1325 GMT 4 May 95

[By Tamara Zamyatina]

[FBIS Transcribed Text] MOSCOW, May 4 (Itar-Tass)—The onslaught of the Croatian army on Serb positions at the beginning of May shows that the European community [as received] is far from the end of the Yugoslav war and that peace-keeping forces have failed to resolve the Balkan crisis. This opinion was expressed in an interview with Itar-Tass by deputy director of the Institute of Europe of the Russian Academy of Sciences and member of the Presidential Council, Sergey Karaganov.

In his opinion, the fact that Zagreb has been shelled means the opening of another battle field in the area of the conflict. Karaganov has also warned that the situation in Kosovo and Macedonia might worsen. Having analyzed the Yugoslav crisis the deputy director of the Institute of Europe has come to a conclusion offering little consolation that "the conflict in former Yugoslavia would be resolved by means of force at the expense of tens of thousands victims and several years of the war."

Referendum Reflects Peculiar Features of Kazakhstan

MM0405143595 Moscow ROSSIYSKAYA GAZETA in Russian 4 May 95 First Edition p 8

[Article by Mikhail Shchipanov: "One's Own Path Is Particularly Hard. President Nazarbayev Builds Democracy With a 'Kazakhstani Face'"]

[FBIS Translated Text] The term "bashization" ["bashizatsiya"], that is to say the building of state systems in post-Soviet Central Asia headed by a plenipotentiary "father of the nation"—a term recently put into circulation by a certain Russian parliamentarian—could well become very popular at the instigation of some of our political experts, for it says it trenchantly and with pretension. Meanwhile, the process continued by Saturday's referendum in Kazakhstan is by no means so simple and unambiguous.

For it would be simpler to reduce everything to the legendary aphorism "The East is a subtle thing," or to refer to profoundly patriarchal local mores. In fact, after the most prominent members of the Kazakhstani opposition, who had been on the point of trying to raise a fuss in the ruins of the dissolved parliament, managed to jump aboard the presidential bandwagon, the referendum assumed the form of a treaty of national accord.

Having made a realistic assessment of the popularity gap, all of N. Nazarbayev's potential rivals decided with well-known eastern subtlety to score personal brownie points in a situation which seemed hopeless for them. For, if the holding of national consultation cannot constitutionally be prevented, and the positive result of a vote of confidence is known in advance, would it not be wiser not to lie down under a steam train, demonstrating to everyone the limited opportunities on the scale of Kazakhstan, but to show generosity and breadth of views?

Elections, particularly presidential elections, always constitute an airing of dirty linen and a sweeping of litter from the not yet too stable Kazakhstani hut. This is a demonstration of the ability to place national interests and considerations of Kazakhstan's prestige in the world above personal political ambitions. In short, a good face was maintained.

Therefore what is now worthy of attention is not the number of votes which President Nazarbayev (president

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of the third millennium) reasonably gathered in support of himself but the way Almaty manages to present its action to the rest of the world and, at the same time, the way the rest of the world actually reacts to the fact that supreme power in Kazakhstan has, in the literal sense, become an extremely loose concept.

It has to be said that the presidential team originally "tailored" the referendum to the standard prescriptions. This idea was at once approved by the multinational Kazakhstani people in the persons of their 350 worthy representatives gathered for their assembly. But when it became clear that, instead, the predesignated Western position remained moderately critical in tone, Almaty adopted a more firm and confident tone.

Moreover, President Nazarbayev, strong in real public support, widened his theoretical investigations to the level of mapping out a third path of development, which far more than Western schemes takes into account the specific Kazakhstani circumstances of the period of reconstruction. For the examples of the development of the "Asian tigers," of China itself, provide rich illustrative material. After all, why must Kazakhstan gravitate more to the United States than to Singapore? In addition, the idea that occurred to the Kazakhstani leader that Western models work badly in all Eurasian expanses, including, naturally, Russia, could perfectly well be considered a demand for a new Kazakhstani policy within the framework of the whole Commonwealth. Particularly as there are also quite a few politicians in Moscow who share similar views.

As regards Western conclusions from this referendum, experience unequivocally attests that Paris and Washington, all other things being equal, prefer to maintain stability. Kazakhstan's new oil contracts provide clear confirmation of this.

Baku Asked To Control Border With Russia, Iran

LD0405151995 Moscow INTERFAX in English 1342 GMT 4 May 95

[FBIS Transcribed Text] MOSCOW, May 4 (Interfax)—The situation at the Russian-Azeri border and at the section of the CIS external border in the zone of responsibility of Azeri border troops, causes Moscow's concern, Russian Foreign Ministry's official spokesman Grigoriy Karasin told a briefing in Moscow on Thursday.

"Despite statements addressed to the Azeri leadership that it is inadmissible to use its territory for the smuggling to the Russian Federation of militants, fire arms and ammunition, as well as assurances by the command of the Azeri border troops that the Russian-Azeri and that Azeri-Iranian parts of the border are reliably shielded, such facts continue to take place," he said.

He cited concrete examples of the smuggling to the Russian Federation from Azerbaijan of ammunition, military uniforms, medicines, large sums of money. "This cannot but arouse our concern," said Karasin.

He expressed hope that "the leadership of Azerbaijan will take prompt measures to prevent the use of the republic's territory by criminal elements to commit illegal actions against the Russian Federation," said Karasin.

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Political Issues

Communist Party Leader Campaigns in Murmansk

LD0505065495 Moscow ITAR-TASS in English 0629 GMT 5 May 95

[By Vasili Byelousov]

[FBIS Transcribed Text] MURMANSK May 5 (Itar-Tass)—Elections to the State Duma, scheduled for the end of the year, will be held, because a decision about it has been taken by the incumbent leadership of the country, Gennadiy Zyuganov, leader of Russian communists and deputy to the State Duma, told Itar-Tass. He arrived in Murmansk today to meet the electors.

According to Zyuganov, the electoral struggle will be very acute. The "power party", as he described the present leaders of the country, will do all it can for holding out in office both in the centre and in provinces. However, the situation is changing, and not in its favour. Probably, new people will come to power.

According to Zyuganov, Russian communists are going to conduct the electoral campaign in a close alliance with the Agrarian party, socialists and other public movements, whose idea of what Russia's future should be like are identical or similar to those of communists.

Zyuganov: Chernomyrdin, Rybkin Unable To Sway Vote

LD0505122295 Moscow INTERFAX in English 1012 GMT 5 May 95

[FBIS Transcribed Text] MURMANSK, May 5 (Interfax)—The leader of the Communist Party of the Russian Federation and the party's faction in the State Duma Gennadiy Zyuganov feels that "neither Prime-Minister Chernomyrdin nor Duma speaker Rybkin will be able to sway vote in the forthcoming parliamentary elections."

Speaking to an Interfax reporter on arrival in Murmansk (Kola Peninsula of the Russian Federation), Zyuganov stressed that neither Chernomyrdin nor Rybkin have a clear-cut idea of how they would exercise the political leadership of Russia and their supporters can hardly be seen as an electoral bloc.

In Zyuganov's view, centrist-oriented blocs have a chance to carry the elections. A "state-patriotic bloc" may be born of "a broad coalition of the Communists, Agrarians and producers," he said.

His party's faction in the State Duma has no intention of joining forces with the supporters of "either ultra-left or ultra-right wing forces," and although Zyuganov refused to disclose the name of his party's presidential nominee, "someone stood ready to join the presidential race on the Communist Party ticket," Zyuganov said.

Vedenkin, Terekhov Address Election Meeting

MM0405160595 Moscow IZVESTIYA in Russian 4 May 95 p 4

[Report by Valeriy Vyzhutovich: "'We Will Be in Power in Six Months.' Communists, National Patriots, Fascists, Adventurists...Mounting Campaign for Vacant Seat in State Duma"]

[FBIS Translated Text] Moscow Oblast—Chief of the Presidential Staff Sergey Filatov described the situation in Kolomna, where on 14 May elections for the vacant seat in the State Duma are due to take place, as a "warning to the democrats, who because of their disunity are not out working in the electoral districts." The Nazi Aleksey Vedenkin, Stanislav Terekhov, chairman of the Officers Union, Nikolay Pavlov, political secretary of the National Republican Party of Russia, Valentin Minakov, member of the Liberal Democratic Party of Russia, Valeriy Popov, chairman of the Russian National Movement, as well as the cosmonaut German Titov, who is supported by the communists, and Yelena Mavrodi, photographic model and wife of the leader of the "MMM" joint-stock company—in all 11 candidates—are running for the seat vacated as a result of member of parliament Sergey Skorochkin's murder.

A routine meeting of candidates and voters was held in Kashira. Though it was organized during the day, this did not prevent about 200 people gathering for the parade of candidates. Alongside citizens enjoying any aspect of the leisure time afforded them by retirement, the presence was noted of clearly able-bodied people, sometimes even youngsters. The newspaper PRAVDA ZHIRINOVSKOGO [ZHIRINOVSKIY'S TRUTH] and printed copies of election manifestos and appeals were distributed to the audience. Here we saw the program of Valentin Minakov, who is "in favor of the immediate resignation of Chernomyrdin's government, of the restoration of citizens' hard-earned savings, and of an end to the plunder of state property and just and equal distribution of the country's property in the interests of all citizens." Then there were Nikolay Pavlov's slogans: "Reestablish the historical unity of Russia, Ukraine, Belarus, and Southern Siberia (the so-called 'Kazakhstan')! Down with the corrupt press! Down with advertisements for 'Snickers' and 'the gay passions of queers on television'!" There were Stanislav Terekhov's April theses: "The idea of great-power patriotism, Russian consciousness...should be developed. Together with left-wing and patriotic forces we should fight the corrupt criminal clans and betrayers of the country's national interests directed by pro-Western and pro-Zionist centers."

No less expressive and thorough were the speeches of the candidates, each of whom got 10 minutes to outline their election programs and five minutes to answer questions.

"I have managed to acquire knowledge which allows me resolve any state problems in any territory," Valeriy Popov informed us. "It is time that we put a stop to

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Russia's destruction, which is being carried out in the name of 'reform'.... We need free housing! Free education! Free medicine!"

"What is your attitude toward animals?" someone inquired from the floor.

"There must be strict control on the birthrate of animals."

Stanislav Terekhov, who prior to the meeting passed through four villages in Kashirskiy Rayon, announced what in his view is the most effective way of transforming the whole of Russian life—the "re-establishment of the soviets." The chairman of the Officers Union described attempts by anyone at all to prevent this as "hostile" and promised to "treat the enemy as the enemy." By which he immediately provoked the question:

"Is a military dictatorship possible?

"Yes, it is. I am in general opposed to dictatorships, but somebody will have to cut off the oxygen supply."

The local people listened to the speakers politely and calmly. It was only the strong, well-built young men with crew cuts in double-breasted jerkins who had arrived with Vedenkin that raised the temperature. This well trained retinue of up to 20 men, installing themselves on the right-hand side of the auditorium, promoted their king in an orchestrated manner by noisily ridiculing and hurling vicious abuse at each candidate as he spoke. Vedenkin himself indicated by signaling from the stage who to respond to and in what manner. Then he went to the podium:

"The current president suits us if he hands power back to us. Then we will ban all parties and there will only be one. We will send all bandits abroad—only minor crimes will be committed in Russia. Orthodoxy will be established from Klin to Vladivostok. We will reestablish the Army and the military-industrial complex. We will revive the agricultural sector, which will begin to feed the military-industrial complex and the Army.... In just six months we will be the main political force in Russia."

"What is your attitude to Caucasians?"

"As far as they're concerned, Zhirinovskiy, whom I support in this matter, was right when he said: 'All Caucasians should be sent home!' All these Chechens and Azerbaijanis never were friendly toward the Russians and always drank our blood. We will fight them."

Vedenkin assessed in the following manner the prospects of his rivals, in particular those who were absent from the meeting—cosmonaut German Titov, and model Yelena Mavrodi:

"Cosmonauts should travel in space, and models should pose for pornographic magazines, until we ban them."

The leader of the Russian nazis informed us that they had "given material assistance" to 50 poor families in Kashirskiy Rayon. The brigadenfuehrer also ceremonially announced from the podium that 100 million rubles have been collected in the appeal to him from the Kashira council of Great Patriotic War veterans. There was applause....

The deputy's seat which is being fought for in electoral district No. 107 will be abolished in December. Why go to the Duma for just over six months? This question was put to him.

"Our task," Vedenkin replied, "is to strengthen your rayon for future elections. Your rayon is a Russian, working-class rayon.... It is important for us to be here."

Stanislav Terekhov justified the attraction the seat had for him in roughly the same manner.

There will be one round in the elections. If no less than 25 percent of voters turn out, any candidate who polls the greatest number of votes can celebrate victory.

'Derzhava' Group's Kobelev Interviewed

MM0405145395 Moscow PRAVDA ROSSII in Russian 27 Apr 95 p 2

[Interview with State Duma Deputy Viktor Kobelev, deputy chairman of the "Derzhava" movement, by Tatyana Romanenkova under the rubric "Allies? Fellow Travelers? Opponents?"; date and place not given: "'We Agree To Cooperate With Anyone'—So Stated State Duma Deputy Viktor Kobelev, Chairman of The 'Derzhava' Movement, in Response to the Questions Of Our Correspondent"]

[FBIS Translated Text] [Romanenkova] Viktor Vasilyevich, you represent one of the political opposition movements, each of which sets itself the goal of coming to power. But how and by what route should this happen, seeing that today many people believe that presidential elections, and indeed, parliamentary elections, may not take place?

[Kobelev] Deputies laid down a substantive proviso in the law on Duma elections: The president possesses the initiative for elections to the State Duma. If the president does not announce elections, this should be done by the Central Electoral Commission on the basis of the Constitution. In addition, a Constitutional Court has been formed and is working, which tempers to a significant degree temptations toward unlawful decisions. Consequently we have two points of control over the strict observance of election procedures—the Central Electoral Commission and the Constitutional Court. This enables us to assume with a sufficient degree of probability that elections to the State Duma will take place.

There is also, in my view, another factor thanks to which it will not be so simple to call them off—the sociopolitical situation in the country. Any more or less reasonable

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government must understand that, if an acute, critical situation has arisen in the state, it is better to hold elections. Elections of any kind vent excess steam, so to speak, and remove political tension for a certain period, perhaps six months. Citizens expect from their new elected representatives some improvement in life and the economy, and this in one way or another postpones a social explosion. It is hardly worth disdaining such a possibility.

However, despite this, many forces, including some in the State Duma, are interested in seeing that elections are not held. The formation of the new "Stability" and "Russia" deputies' groups evokes suspicion. We will very soon see what lies behind these associations; it is impossible to hide anything here, especially when you have over 30 people in a faction. We can rule out a direct attempt to suborn deputies: No deputy will have dealings with "buyers" for $5,000, or even $25,000—it is too risky. Everyone has experienced an election campaign and knows full well that where money is given for no good reason, you can expect trouble. Money is always given for some reason. No, it is more likely that interested circles will lobby for certain actions by these groups far more subtly and covertly.

But Duma elections will solve nothing in themselves; the Constitution allocated too few powers to the Duma. It is the presidential elections that will be decisive. Whoever occupies that post will decide the state's policy for the next few years. Therefore intrigue aimed at postponing the presidential elections is more likely. Though even here, if the Asian scenario of some kind of referendum is followed, the referendum law clearly lays down a norm—50 percent of the electorate must express their opinion. But today we could not muster 50 percent in any referendum. So even here chances are slim.

I think that reason will nevertheless triumph, although, of course, anything is possible. If Yeltsin wants to remain in power, he could follow the following scenario, for instance. First the resignation of the government is somehow or other provoked, and the need to appoint a new prime minister arises. "No-hope" candidacies are deliberately presented, deputies reject three such candidacies in a row, and the Duma is dissolved.

Next the idea of doing away with the post of president altogether arises. For example, on the initiative of Boris Yeltsin himself the Federation Council and the Constitutional Court—which retain their powers—decide to remove the post of president from the Russian Federation Constitution. The rationale for this could be that it is essential to remove tension in the regions, where we have seen many presidents emerge. In order, they might say, to prevent situations like Chechnya, whereby newfledged absolute rulers emerge, let us remove this problem and abolish all presidencies in Russia.

I think that public opinion would even support Yeltsin in this idea. The presidential regime has not been vindicated in our country: After all, Russia is a collectivist [sobornaya] country, it should be governed by a collegial organ. On the president's initiative all draft laws connected with removing this post from the Constitution would be passed easily, moreover with the approval of the major parties. Communists reject the post of president in general, as do the Agrarians, and the centrists would agree. At the same time presidential posts in the regional formations are abolished, and Boris Yeltsin becomes prime minister for life. And society successfully avoids the "troubled times" of presidential elections.

[Romanenkova] How do you assess the current situation in the opposition movement? How do you account for the mutual sympathies and antipathies, and at what critical points are splits possible?

[Kobelev] There is no consensus among the opposition forces because a lot of ambitions are involved. All these ambitions are left over from the times when the entire opposition movement began on the streets, at rallies, in trenches, and everyone saw himself as a leader standing on an armored car. Nowadays everything is gradually falling into place, all the unworthy "leaders" are being weeded out, but disputes and quarrels continue by force of inertia. Every opposition faction in the Duma tries to promote its own candidate for the presidency, representing him alone as worthy and popular. In my opinion, such an approach is shortsighted.

We agree to cooperate with anybody. But some leaders say that they agree to unite on one condition—that the common presidential candidate is from their party. A fairly absurd, although quite typical, situation arises—one person sits in his office, another (or others) must seek him out in order to negotiate. In this scenario it is the individual whose office it is who will name the common candidate and dictate terms. If we were to enter into negotiations with Zhirinovskiy, for example, then we would know in advance that we would have to agree for him to be nominated for the presidency. And the same would apply the other way round. This is a hurdle which opposition leaders simply cannot surmount.

I am in favor of the Agrarians, Baburin's party, the Communists, and our "Derzhava" movement uniting and presenting a common front in both the Duma and the presidential elections. But this is not a very realistic prospect today.

[Romanenkova] How much will these elections cost the winning party?

[Kobelev] In order to negotiate the Duma and presidential elections normally and confidently, around $10 million are needed, according to our estimates. This is a sum which is respectable by Russian standards, although it would be laughable in the West.

[Romanenkova] What are "Derzhava's" financial possibilities?

[Kobelev] We will not sit and wait for someone to start funding us. We have officially registered funds and our

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own commercial structures, which are working quite actively. They contribute a certain percentage to the election campaign. Everything will be above board; no one will ask after the elections: What sort of capital funded you?

[Romanenkova] A myth exists in society that on coming to power the opposition would topple all businessmen, close all private firms and enterprises, and lead the country into war communism...

[Kobelev] That is indeed unscrupulous mystification. The solutions to the crisis proposed in the programs of virtually all the opposition parties and movements are similar, expressing throughout the idea that there should be diverse systems of ownership in Russia. Including, of course, private ownership. Although we also agree that land, for example, should not be in private ownership, and that no buying or selling of land should be permitted. Fifteen ares should be allocated to those who reside permanently in rural areas and to horticulturists; all the rest should be leased. The land question is a matter of principle.

It is definitely necessary to restore the state monopoly of foreign trade, gold, alcoholic beverages, and fur, at least in the first state of the recovery from the crisis.

However, at the same time it is necessary to declare an amnesty for all capital taken out of Russia. To declare that we pardon everyone, that we ask no questions about how it was earned, but on the condition that this money is returned to the country. True, we are in dispute with Aleksandr Rutskoy on this question, but such disputes are entirely permissible.

The most important thing is a mixed economy in the future Russia and the development of honest Russian business and enterprise operating in the interests of our country and its citizens. We intend to support these things wholeheartedly. Those who try to convince society of the reverse are peddling disinformation, to put it mildly.

[Romanenkova] What Russian business structures do you propose to rely on?

[Kobelev] We would like to work with the "Yedinaya Energeticheskaya Systema" ["Unified Power Engineering System] company. They have set up business well; they are not squandering national assets, unlike the oil industry; they are attracting foreign investors and care about expanding their material base; and they are building combines for light industry and moving into agriculture. Shares in the "Yedinaya Energeticheskaya Systema" Russian Joint-Stock Company are constantly rising. These are securities which have a real value. We would like to see such firms become our partners.

The major banks are drifting away as allies. They immediately try to crush everyone, to impose their conditions and their ideology. There is no benefit to be had from such allies. I am more sympathetic toward medium and small business. They are, as a rule, people who came out of the cooperatives of the 1987-1988 period, that is to say, who produced real goods for the Russian consumer market, who expanded Russian production, rather than engaging in pure speculation. As soon as financial monsters appeared on the market, this entire people's market was destroyed, and people lost confidence in their own abilities and threw in the towel. Thus we are gambling on small and medium business. We think that they are one basis for the revival of the Russian state.

Federal Democratic Movement Holds Press Briefing

MK0405111795 Moscow KOMMERSANT-DAILY in Russian 4 May 95 p 3

[Report by Natalya Samoylova: "Right Radicalism as It Is"]

[FBIS Translated Excerpt] The country's political life is gradually entering an election phase. Its distinguishing features include, among others, the following: An increasing number of high-level civil servants, without leaving their posts, are courageously joining political struggles. Nobody is daunted by the inevitability of such a routine action as the promulgation of their own—that is to say, alternative to the government's—economic program. This path was also taken by the recently created Federal Democratic Movement, one of whose leaders—Oleg Novikov, first vice president of the All-Russian Association of Privatizing and Private Enterprises and at the same time chairman of the Moscow Antimonopoly Committee—yesterday held a press conference under a somewhat pretentious title: "Ways of Overcoming Obstacles in Forming an Effective Owner and a Competitive Market."

From the very start of the press conference Oleg Novikov seemed a little constrained: It appeared that he was not as yet fully at home with the role of politician. [passage omitted]

Predictably, the head of the Moscow Antimonopoly Committee began his meeting with the press with something in which he is a professional: criticism of the government's economic policy. Or rather, its antimonopoly component. According to Novikov, the root of most economic problems lies in the fact that the state, while declaring the economic freedom of entrepreneurship, continues monopolistic economic activity. According to his estimates, in spite of the fact that many private owners have appeared, the state directly or indirectly regulates the activity of up to 90 percent of economic entities. Because state interests are represented by bureaucrats (and Novikov, as an authoritative representative, has no doubts about the subjectivity of their decisions), with such a state policy there simply is no room for effective owners, let alone a normal competitive environment.

Novikov's criticism of the federal government antimonopoly policy was focused on the Russian joint stock

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company Integrated Power Grid (on which point his views are shared by First Vice Premier Oleg Soskovets, well known for his "sympathy" toward this company) and also on the gas processing industry (something Premier Viktor Chernomyrdin will surely not agree with). Novikov described the latter as an artificial monopoly. Novikov's statement that "It is more profitable to invest in gasoline than in hard currency," sounded like an election soundbite. He came to this conclusion after surveying the situation at the Moscow Oil Refinery, which, according to Novikov, cannot survive unless the price of gas is set at 2,000 rubles per liter.

Noteworthy are the rebukes against both the federal and the Moscow city government made at the press conference over hush-hush privatization practices and also the uncontested placement of state construction and other orders, financed from budgets of various levels. According to Oleg Novikov, this is one of the main reasons for the unjustifiably high prices and the low quality of work and services provided. For instance, the cost of one square meter of housing in Moscow (excluding the cost of land) is 1.5-2 times higher than in neighboring oblasts. [passage omitted]

FITUR, RUIP, 'Realists' To Form Electoral Bloc

MK0405110995 Moscow SEGODNYA in Russian 4 May 95 p 1

[Unattributed report: "FITUR, RUIP, and 'Union of Realists' Will Create an Electoral Bloc"]

[FBIS Translated Text] The leaders—Mikhail Shmakov of FITUR [Federation of Independent Trade Unions], Vladimir Shcherbakov of the Russian United Industrial Party [RUIP], and Yuriy Petrov of the "Union of Realists" movement—yesterday signed an agreement of intent to create a single electoral bloc to take part in the 1995 elections. According to the document, "the sides are proceeding to elaborate a bloc platform, they intend to follow a coordinated policy aimed at strengthening the constitutional system in the country." FITUR is creating a "Trade Unions of Russia" electoral association, and the RUIP is putting together a "Revival of Industry in Russia" association; together with the "Union of Realists," they are going to form the basis of the future electoral bloc's organizational structure.

Rogozin Said To Control Election Fundraising

MM0505132795 Moscow MOSKOVSKIYE NOVOSTI in Russian No. 31, 30 Apr-7 May 95 pp 18-19

[Part two of two-part article by Sergey Parkhomenko: "Merlin's Tower. The Security Service Will Protect Its President From the Blind Forces of a Nationwide Vote"]

[FBIS Translated Text] For a long time now it has been pointless to go looking for "conservatives" and "liberals," "progressives" and "reactionaries," "reformers" and "diehards" in close proximity to the peak of Russian state power (if the president is deemed to be that peak). If you try to analyze the actions of those close to Boris Yeltsin on the basis of these criteria, you get a complete mishmash: inexplicable enmity between ostensible allies, unthinkable alliances between obvious enemies, mysterious neutrality between implacable enemies. But everything can be fitted into a precise and comprehensible system once you assume that, irrespective of political sympathies, antipathies, and philosophies—over and above them, so to speak—the inhabitants of the Kremlin and Staraya Square can easily be classified into just three groups.

We will assign to the first group those who have had the courage to admit to themselves, and are prepared to admit to almost anyone who asks, that they exist in politics exactly as long as Boris Nikolayevich Yeltsin is in power. These people are capable of saying aloud: "On 12 June 1996, or at best a few weeks later, I die. I will cease to be. In the political sense, of course.... Although heaven knows, maybe my real life will only begin then...."

The second group naturally consists of staffers of the [Presidential] Staff who take exactly the opposite position. In a moment of frankness they will tell you something roughly like this: "I am very glad, of course, that my career has been enriched by such an honorable and prestigious episode as working in the presidential apparatus. Working with Boris Nikolayevich has undoubtedly enriched me with extremely valuable experience. But I am not expecting any really terrible change in my life in mid-1996. Anything can happen, but somehow I don't think I've had it yet...."

And then there is the third group.... We will assign to this group all those who, on the basis of objective considerations, ought to belong to the first group—the political hostages to President Yeltsin—but who would not accept that classification for the world. And who would now do anything for the sake of prolonging their own political life. Who are prepared to claw or gnaw their way into a full-size trench in the hope of sitting out the moment of catastrophe. And if they succeed, to clamber out of it again—onward and upward.

Try and fill in for yourself the names in this list. It is not difficult, but it is quite entertaining.

The important thing for us is what this state of affairs shows: Russia—in spite of everyone and everything—is becoming a democratic country. A country in which a politician's future is determined—if only, at the moment, indirectly—by electoral prospects.

Of course, it certainly does not follow from this that the Kremlin guard is prepared silently and submissively to lay down its life in the 1996 election battle. Let us admit frankly: Political maneuvering designed to result in the indefinite postponement of the presidential elections, or else in their being held in such conditions and under such rules that the vote can be declared invalid, has long since become the "basic work plan" for many strategists in the

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president's entourage. It won even more supporters after the failure of the Chechen blitzkrieg.

However, you only have to talk with some of the key figures in President Yeltsin's "inner circle" to be convinced that nobody really believes seriously in the success of that enterprise. The most cunning intriguers still base their views for the future on the assumption that the presidential elections will take place, as in the anecdote, "in their own good time or not much later." And that candidate Yeltsin will lose those elections.

But at the same time they are very well aware that, whatever turn the pre-election intrigues take and whatever their outcome, in the next 18 months the Kremlin and its inhabitants can expect an exceptionally large financial outlay. On the threshold of the 1995 and 1996 elections—whether they take place or not—political happiness will not depend, as the saying goes, on money alone, but on how much money. Whether it is a question of simply buying the existing body of deputies or creating some kind of ultrapowerful pro-presidential factions; of allowing the regional barons who sit in the senate to retain generous amounts of revenue or flinging extrabudgetary subsidies around in all directions "from the presidential programs fund"; of taking on the full maintenance of the loyal press or commissioning the traditional campaigning materials for the parliamentary elections.... All this will be very, very expensive.

It is now known more or less precisely that the 1993 election campaign cost the "Russia's Choice" political association—which was the best provided-for at that time—a pitiful $11-12 million. For the whole country. And financiers, who at that time took the main burden of expenditure on themselves, estimate that at least one-third of this money was simply stolen, at various levels of the election machine. "Russia's Choice" was able to run this incredibly cheap campaign because, at the time, it seemed to be too obviously the favorite, and many services were offered to it either free or at a discount—both centrally and, especially, in the provinces—in the natural hope of future gratitude.

These days of clover have gone. There are no favorites any more. At all events, President Yeltsin's team is no longer regarded as the favorite. And real money must be earned. Well, not exactly earned, let's say obtained.

Now let us come back to our universal classification of Kremlin types. It is quite clear that representatives of the first two groups are obliged to behave at least very circumspectly. But the third group is going for broke. Openly, sometimes even brazenly. And the most outstanding players of this game are the team made up of the leaders of the self-same service that declares its task to be "the creation of a comfortable security environment" for the president. Not for any president, but for this specific president - - that is the whole point. The incomplete and weak nature of the law coupled with the practice of concealing from society the few regulatory norms that exist removes the service from all forms of control. In trying to ensure that Boris Nikolayevich Yeltsin is safe from elections, from the "blind forces of a nationwide vote" (I heard that phrase in the Kremlin with my own ears), the [president's] Security Service leaders and their allies are fighting first and foremost for their own survival.

"Slush" Fund

In short, the Russian Federation Presidential Security Service has now taken upon itself the main concern of creating a "slush" fund to pay for candidate Boris Yeltsin's upcoming campaign. We possess numerous reliable testimonies making it possible to form an idea of precisely what sources it is proposed to draw on to fill this "election fund." The intriguers are not notable for any great inventiveness: They have chosen those spheres that are traditionally considered more or less no-lose areas, guaranteeing the maximum income.

They are the oil trade, the arms trade, and the trade in precious metals and precious stones.

Funnily enough, a serious flaw can be detected even in this choice. The "gold and diamonds" sector promises astronomical profits only in the eyes of the ill-informed layman. Professionals claim that even to maintain it at a minimum level of profitability requires considerable skill on the part of managers and businessmen. But let us not anticipate our story.

Let us first look at oil, because here the circumstances of the matter are entirely transparent. Transparent inasmuch as the link between two documents that leaked one after another into the Moscow press is obvious. One was the heads-up signed by Aleksandr Vasilyevich Korzhakov, addressed to Prime Minister Viktor Stepanovich Chernomyrdin and devoted to the protection of state interests in the sphere of the export of energy sources, which shook the imagination of citizens. The other was the application from "steward of all Russia" Pavel Pavlovich Borodin to the Ministry of Foreign Economic Relations for the admission of the hitherto totally unknown "Rostoplivo" company to the elite club of special oil exporters, which soon found its way into IZVESTIYA and a number of other newspapers.

It is quite obvious that without the preliminary efforts of the head of the Security Service, the initiative of the Presidential Staff Administration of Affairs would have been foredoomed. The export of energy sources has long been the focus of such keen cross-monitoring by several departments—both economic and financial, and law-enforcement—at once, that you cannot just go charging into it, even armed with "special presidential programs." Everything is too regulated. The rules of the game are too rigorously defined. And moreover the premier personally keeps a particularly jealous eye on his own sector.

Further evidence of this is the 31 December 1994 government decree "On the Export of Petroleum and

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Petroleum Products Outside Russian Federation Customs Territory." With the promulgation of this document, the last neglected cracks in the longed-for "pipe" (officially called the "system of main oil pipelines, petroleum product pipelines, and terminals at sea ports") were—one would like to think—painted over. Enough to make anyone, however keen, lose heart.

But the Security Service's protection revived certain hopes. And then came a chorus of reports in the Moscow newspapers: The session of the Ministry of Foreign Economic Relations collegium devoted to final approval of the list of 14 special exporters with access to "the pipe" had not even ended when its head (here we cite KOMMERSANT-DAILY) "Mr. Davydov let fall that 'exceptions may be made only in order to fulfill federal programs under special decisions.'" That is, if a real need arises, a 15th permit will be issued.

And we do not have the slightest doubt that money will indeed be really badly needed for the "slush fund."

Especially now that, with the issuing of a series of presidential edicts in early March devoted to the "further liberalization" of foreign economic activity and the repeal of the concessions and privileges established earlier, the elite with access to "the pipe" will once again have to disband in order to re-form quickly. Under a new name, naturally, but with the same old membership. The effort to find a new synonym for the words "special exporter" (barred, so to speak, from further use) in itself creates an ideal opportunity for the self-same "Rostoplivo" to make its appearance among the chosen. Or else some hastily registered successor to it. The matter is not going to get bogged down in the [Presidential] Staff for want of a "special decision."

Diamond Smoke

The task of creating an apparatus for "milking" the gold and diamond complex proved rather more difficult. A devious, subtle world demanding a particular exactness, almost sterility, in relationships, here too, it seems, you cannot just go barging in in your officer's calf-skin boots.

Roskomdragmet [Russian Federation Committee for Precious Metals and Precious Stones] (alias the RKDM), at the time of its formation, took on a sector that was in an appalling condition. And although, as those in the know claim, "Russian gold is still the most expensive gold in the world," in three years things have gotten moving. To achieve this it was necessary, for instance, in the sphere of extraction to construct an extremely delicate system of prospecting artels which is nonetheless capable of withstanding merciless exploitation by the state. In parallel it was necessary very gradually and cautiously to establish a network of small refineries which recover precious metals from electronic and other scrap and are ready to offer at least some competition to Western reprocessors. And also to revive the half-ruined jewelry manufacturing industry. One clumsy administrative move, one stupid piece of taxation—and it will all fall apart again.

Trade in this sphere is also not a job for cavalrymen in Red Army helmets. "You can't trade in gold as if it was potatoes. In the entire world only 15-20 gold dealers operate, and they all know each other personally," one RKDM leader reminded us. When it comes to diamonds and other stones, it is a real nightmare. Everyone has heard of the insatiable and perfidious De Beers, but not many people can seriously conceive how embroiled the Russian Government's relations with them are, or how closely mutually beneficial cooperation and fierce enmity are interwoven here.

The tactics of unsophisticated intimidation and brute aggression which the Security Service initially chose to take control of this entire sphere proved to be futile back at the time of the furor that flared up over the arrest of Lev Vaynberg last fall. It was suspected that this was the initiative of Aleksandr Vasilyevich Korzhakov's subordinates, if only because even then there was no one else to look askance at. Nor is there anyone to suspect even now. FSK [Federal Counterintelligence Service] staffers who are in the know state firmly: "We had no complaints about Vaynberg in connection with his involvement in the gold business. We were not working on him (that is a kind of jargon, a professional term—S.P.), and it was not our arrest." Yet the interrogations to which the arrested entrepreneur was subjected always revolved almost exclusively around that business. The story of the ridiculous chain confiscated in the form of a bribe was a crude and stupid fabrication: a typical psychological attack, traditional blackmail. Which soon became clear to everyone concerned.

After waiting for the furor to die down, the service changed its tactics, and is now operating far more circumspectly. The target of attack is now Roskomdragmet as a whole: Let it survive, since it is all so cunningly constructed, but let it serve "our cause." All that matters is to remove it once and for all from the government's protection, not only as regards the expenditure of gold and currency reserves, which already takes place exclusively on directives from the president himself. Our informant from the RKDM was undoubtedly right when he advised us: "You should not be looking at how much gold and diamonds are sold—it is impossible, after all, to foist off more than the demand—which is naturally limited—determines. The important thing is to know where the money from these sales goes to."

The signal to launch the attack on Roskomdragmet was given in early February, when the government spent two and a half hours examining its activities behind tightly closed doors. At the end of the session Aleksandr Kharlampiyevich Zaveryukha suddenly emerged to the journalists and briefed them with uncharacteristic loquacity on the results of the secret discussion. Analysts are trying to this day to decipher the meaning of his utterance: On the one hand, it emerged that the RKDM leadership was accused of losing control over the sector, and on the other it transpired that they had been instructed to "liberalize" the sector in the shortest possible time.

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Either way, it emerged that the work of Roskomdragmet Chairman Mr. Bychkov was deemed "unsatisfactory" and his days were numbered.

Well, it goes without saying that the ideal solution to the problem would be to establish in the chairman's seat someone who is absolutely obedient and complaisant toward the service. Especially since such a person had been "installed" in Roskomdragmet by the [Presidential] Staff in good time. His name is Leonid Borisovich Guryevich, he has been serving as deputy chairman here since the end of 1993, and he was accepted for the job on categorical instructions direct from the Kremlin.

Parliamentary reporters from the period of the last Russian Federation Supreme Soviet remember well how intrigued they were by the mystery of the magical transformation of the former Murmansk Oblast Television Studio commentator and chairman of the Supreme Soviet Foreign Economic Relations Subcommittee. Leonid Borisovich is memorable first and foremost for being eternally tormented by the desire to give someone—anyone—an interview, and secondly for the complete absence of any even remotely significant information in what he said: At that time he had only a very approximate understanding of his subject. All the indications are that his qualifications have not improved significantly since that time. At Roskomdragmet they do not doubt for a moment that his appointment as chairman would lead to a mutiny among the professionals—an indignant mass exodus of top- and middle-level managers throughout the committee.

It seems that even the Kremlin eventually arrived at a sober assessment of this prospect. And the change of chief was postponed. Meanwhile they resorted to a very effective interim measure: Roskomdragmet, as we were told at the FSK, has been removed from the "operational services list" of the counterintelligence organs and transferred officially (it can happen that way—officially but without publicity) to the protection of the Presidential Security Service. This news was received calmly by the RKDM leadership. "We are already solidly under the protection of the Presidential Staff. Just look at the [presidential] assistants: Livshits deals with us, and Satarov, and even Boris Nikolayevich"—that observation was made to your curious correspondent in one of the bosses' offices there. When your correspondent involuntarily jumped, they explained: "Don't be silly, Boris Nikolayevich doesn't mean Yeltsin, but Kuzyk, the president's assistant for military-technical cooperation." Fine, let us make a mental note of that name. It will come in useful.

As for "operational services," here they just shrug carelessly: "What do you think.... So they'll withdraw a couple of dozen of one bunch of 'officers of the active reserve' who work under our roof, and send in a couple of dozen from another bunch. What difference does it make—one special service or another is watching us...."

But it makes a very significant difference. Not, maybe, to Roskomdragmet, but certainly to the special service itself. Incidentally, operational services for all kinds of departments and institutions are now becoming as much a usual function for the Presidential Security Service as for the FSK. The apparatus of the Russian Federation Security Council, for instance, has information that Aleksandr Vasilyevich Korzhakov's subordinates serve in various posts, under various cover stories, within the systems of virtually all the federal ministries. They also claim that since the beginning of this year at least 50 additional "officers of the active reserve" from among the service's staffers are supposed to have been assigned to various organs of the executive authority.

But since we are talking about these assignments, this is clearly a good time to move on to the third object of heightened interest that can be observed on the part of the Kremlin special service. Especially since in the sphere known among professionals as "military-technical cooperation," or in common parlance as the arms trade, the "neighbors" have achieved the greatest successes. They have managed to carry out an exemplary maneuver and construct a model pattern guaranteeing all-embracing oversight, with built-in double redundancy, over a vast trade and industry empire.

Hide It in an Obvious Place

We should probably begin at the end. With the presidential Edict "On the Russian Federation State Committee on Military-Technical Policy," issued 30 December 1994, and the appended statute on the committee.

The date itself did much to determine the reaction of public opinion to the document's appearance. It must be admitted that there was absolutely no reaction at all. The New Year celebrations, as we remember, were in any case full of political shocks. In short, although the edict and the statute were on that occasion published promptly in the public press, they received practically no attention from analysts. It was just like in the old children's game of "hiding it in an obvious place." Yet these two documents establish in Russia an unprecedented organization, a staggering "Klondike" for the Staff.

The committee's main tasks are deemed to be the "formulation and implementation of state policy in the sphere of the Russian Federation's military-technical cooperation with foreign countries," and at the same time "coordination of the implementation of arms programs, the conversion of production capacities in the military- industrial complex, and the recycling of arms and military equipment." The committee's decisions are declared to be no mere recommendations, but are "binding on all participants in foreign economic activity" in the sphere of military-technical cooperation. The government is instructed to "identify the committee as the state client for export-import deliveries of output and goods for state needs" in this sphere, and at the same time to eliminate all potential competitors for the new organization: The interdepartmental commission on military-technical cooperation is abolished entirely,

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while the Ministry of Foreign Economic Relations Main Engineering-Technical Administration is transferred to the committee's jurisdiction.

The new superdepartment is not at all similar to the traditional state committee under the government, like, say, the State Committee for Higher Educational Establishments or the State Committee for Statistics; it is directly subordinate to the president of Russia. That is to say, in practice, as any experienced administrator will realize, it is subordinate to no one at all.

But the committee's area of jurisdiction is so wide that an analysis of the situation could lead unequivocally to the conclusion that it is proposed to build under that name an unprecedented "ministry of the military-industrial complex." It orders the arms itself, manufactures them itself, pays for them itself, sells them itself, and disposes of the income itself.

Without being a government institution proper, the committee organizes "intergovernmental talks" and prepares drafts of "intergovernmental contracts on military-technical cooperation." It makes preliminary recommendations "on suspending, terminating, and resuming military-technical cooperation with particular foreign states" (that is, it decrees who talks should be held with and who should not be touched).

It deals in licenses for the production of Russian military equipment abroad. It issues licenses to Russian participants in military-technical cooperation, and selects them at its own discretion. It coordinates decisions "on the mechanism and procedure for the passage of budget appropriations allocated for financing the state export defense order" and monitors "the effectiveness of their utilization" (which means it decrees that money from the budget, on its way to its destination, should pass through not this bank, but that one).

It oversees the "receipt and utilization of foreign currency resources from export transactions." It analyzes "foreign countries' potential demand for arms and military equipment," and also verifies the "reliability of foreign partners in the sphere of military-technical cooperation" (for which read: it engages in industrial, commercial, and conventional military espionage). In parallel, it acts as the auditor of the foreign economic activity of "Russian participants in military- technical cooperation and their missions abroad" (and does not need any help from the various kinds of tax inspectorates and tax police).

Lastly, it "issues, within the framework of its jurisdiction, enactments (not just for one occasion, but as norms!) that are binding" on Russian arms dealers irrespective of the form of ownership.

For all of this, the committee is allocated 243 members of staff. And 95 of the posts (nearly 40 percent) are allocated for those very same assigned officers of the active reserve from the Armed Forces (which undoubtedly means the GRU [Main Intelligence Directorate]), the Presidential Security Service, the SVR [Foreign Intelligence Service], and the FSK. If you deduct from the total staff the typists, secretaries, and drivers, you are left with virtually exclusively people in uniform. It transpires that we are dealing with a new power structure, or you could even say a particular kind of special service. The institution's structure is "autonomously determined" by the committee chairman. Yuriy Boldyrev, former chief of the presidential Control Administration, for instance, on reaching that point in the edict, opened his eyes wide in amazement: "They can't be serious! I remember how we had to take our structure to the chief of staff to get it approved. Now that's something I can understand—freedom...."

The idea of yet another reform in the sphere of military-technical cooperation surfaced back in the fall of last year, when Marshal Shaposhnikov, the president's representative to the "Rosvooruzheniye" company, reported to the head of state on the results of an investigation he had carried out in conjunction with specialists from the Control Administration, the Ministry of Finance, the Central Bank, and others. For Viktor Ivanovich Samoylov, then general director of "Rosvooruzheniye," a great deal of unpleasantness was in the offing. And for his state company as a whole.

Marshal Shaposhnikov proposed that the president set up a new state committee under the government, authorized to coordinate efforts in the sphere of the reform of the military-industrial complex and associated spheres concerned with trading in and recycling arms. According to the proposal, "Rosvooruzheniye" was to be reduced to the level of one of the committee's structural subunits. The president liked the idea. We even have entirely reliable reports that Yevgeniy Ivanovich [Shaposhnikov] was promptly invited to head the new government department. Let us stress yet again—government department. So the draft edict on it was sent to the "White House" for rubber-stamping. After that, it is claimed in the premier's apparatus, the document was passed on by Viktor Stepanovich Chernomyrdin to his first deputy Oleg Nikolayevich Soskovets for examination and comment. There it disappeared without trace.

And then, just before the New Year, it suddenly surfaced again, but in a form that was 100 times stronger and wider-reaching. But the main point is this: While the paper was off on its travels, the future committee was freed from the heavy fetters of government control, removed entirely from the government structure, and in a certain sense even placed above it.

So where did the draft disappear to for two months?—that is the question. Yuriy Mikhaylovich Baturin's apparatus has a list of presidential edicts issued in recent months without the preliminary concurrence of the president's national security assistant (even though some of them are on legal matters). The very first item on the

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list is the document that concerns us. Aleksandr Yakovlevich Livshits' apparatus is not so sophisticated in its paperwork. They do not keep lists. But they remember clearly: In the course of preparation of the edict on the remarkable state committee and the statute concerning it, nobody sought the opinion of the president's economic assistant. "A rare case, but an outrageous one," Aleksandr Yakovlevich himself comments laconically.

But if you think about it, what do these two tiresome quibblers have to do with it? After all, the Russian president has a specific, "specialist" assistant on questions of military-technical cooperation. Boris Nikolayevich Kuzyk (remember him?) became assistant to the head of state on 28 June 1994. The surprising thing is the fact of an assistant on such specific problems being appointed even before, say, an expert in the economic sphere had joined this elite subdivision of the president's apparatus. Mr. Livshits at that time held the far more modest status of "leader of the group of advisers." In terms of assistants responsible for the most important individual areas of state policy, the president only had Ryurikov, Baturin, and Satarov.

The decisive factor, many interlocutors of ours in the Kremlin are convinced, was the personal recommendation of Aleksandr Vasilyevich Korzhakov. It was he who led presidential assistant Kuzyk by the hand, so to speak, into the Kremlin.

Candidate of Economic Sciences Boris Nikolayevich Kuzyk, a graduate of the military faculty at the Finance Institute (now academy), is known to many from his work as deputy chief of the Ministry of Foreign Economic Relations Main Administration of Military-Technical Cooperation in the early nineties.

But he did not come straight to the [Presidential] Staff from there. He spent a few months at the Defense Ministry Main Directorate of Military Budget and Finance, under Colonel General Vorobyev. In view of certain oddities that keep coming up when one studies this directorate's activities—for instance, in connection with the selling off of Russian military property in the countries of Eastern Europe—this connection could prove to be a very curious sideline to our subject. But more on that later, perhaps.

At the moment we are much more interested in Boris Nikolayevich's colleagues at the Ministry of Foreign Economic Relations.

Take, for instance, Aleksandr Ivanovich Kotelkin, chief of that same Ministry of Foreign Economic Relations Main Administration of Military-Technical Cooperation where Mr. Kuzyk was deputy. At the height of the furor over the cryogenic rocket motors sold by Russia to India, as ministry employees recall, he suddenly "emerged from a state of profound unconsciousness" and informed the then minister Sergey Glazyev that he is a colonel in the Russian Federation General Staff GRU.

Quite recently, Mr. Kotelkin replaced Viktor Samoylov in the post of "Rosvooruzheniye" general director.

And somewhere close at hand, also within the Ministry of Foreign Economic Relations system, yet another assigned man was working—GRU Lieutenant Colonel Sergey Ivanovich Svechnikov. The very man who has now been appointed chairman of that State Committee on Military-Technical Policy that has so shocked us. There was plenty of opportunity to examine that candidacy: In between his work in the two posts mentioned, he was head of a section in the Presidential Security Service.

So we arrive at the military-technical hierarchy: Korzhakov—Kuzyk—Svechnikov—Kotelkin. Posts and military ranks have become rather mixed up in the course of the various transfers, but that is no problem. At least the comrades are back together. And the effectiveness of this joint work and the reliability of the vertical links can only be envied: tested by time and by working together in military intelligence. So that is what comes of the powers for "monitoring the observance of the state's interests in the 'Rosvooruzheniye' State Company" which the president vested in the Security Service in November 1993, when the arms trade department was established by edict (five days after the service itself).

The hierarchy here described has, incidentally, one sideshoot that is of some importance. Who do you think is charged with overseeing the state committee on behalf of the government? Oleg Nikolayevich Soskovets, it goes without saying. It was not for nothing that he so carefully "buried" the initial "Shaposhnikov" draft edict. Not for nothing that he made such efforts to carry through the extraordinary intrigue involving turning a government committee into a presidential one. Or, to be precise, into a committee under the Presidential Security Service.

The close alliance relations that link Vice Premier Soskovets to the service's leadership have long since provoked universal curiosity. But the joint political effort that worked so well in this case has exposed this alliance so clearly for probably the first time.

Incidentally, it was Oleg Nikolayevich Soskovets' curatorship that led to unexpected and annoying complications for the committee. The president's March package of economic decrees included an edict which went unnoticed by anyone, making some small amendments to the founding documents of the arms superdepartment.

The head of state's direct control over the committee was assigned by these amendments to the category of "matters assigned to the Russian Federation president" by the republic's Constitution and legislation. Thus the government received at least the nominal right to intervene in the activities of the new "federal organ of executive power." The unique freedom autonomously to determine the committee's structure was also revoked.

The committee's authoritative and administrative potential did not, however, suffer in the least as a result

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of this. Legalistic pedants and hairsplitters like Baturin or Livshits had achieved nothing but a little moral satisfaction. But what interests us is that they would not, of course, have achieved even that, if First Vice Premier Soskovets' prestige in the Kremlin and on Krasnopresnenskaya Embankment [parliament] had not suffered such marked damage as a result of the failures of the Caucasus blitzkrieg: Oleg Nikolayevich's activeness was too marked in the early stages of the pacification of Chechnya, and that initiative proved, as usual, to be punishable.

Precepts of the Great Intriguer

The attempt to examine the structure of the pre-election "slush fund," the financial sources mobilized by its organizers, and the strangely confused relations among its organizers themselves, does not, however, eliminate one last doubt. At first glance it appears that the entire pyramid culminates in the mighty figure of Aleksandr Vasilyevich Korzhakov: Since his Security Service watches so closely over the whole ramified system of collecting funds from the three high-yielding sectors of the economy, it must mean that he himself is the head of the whole enterprise, its support, its motor, and its brain.

He is not right for the part. First and foremost because world experience of the setting up of shadow financial empires designed to feed election campaigns is too full of cases where relations between the holders of the "slush fund" and the politicians whose electoral future they cared so warmly about have suddenly deteriorated catastrophically. After all, the "slush fund," among other things, can turn into nothing but a convenient excuse dreamed up by a voluntary "sponsor" so as to be able to fix a stern eye on his protege. And it may seem to the leader to be only an excuse and nothing more.

Here it is hard to be 100-percent sure of your partner: He is supposed to be going round collecting money for the elections, but where the money then goes and how much of it sticks to someone's fingers is impossible to find out. Uncertainty breeds suspicion. Suspicion can lead to a severance of relations.

Let us note in passing that we ourselves had a hard struggle against doubts in the course of all our discussions about the Kremlin. Various allusions and associations kept cropping up. We were reminded, for instance, of the "League of the Sword and the Plowshare." The cunning Ostap [Bender, character in fictional satire] also called on the Stargorod conspirators to extend a helping hand "just to the little children, the little waifs who have no one to care for them." And the merchant Charushnikov was extremely pleased, thinking: "It's very well put together.... In that guise, it is worth giving money. If anything comes of it—fine! If not—I was only a bit player. I helped the children—that's all...."

Is that not the nature of our "slush fund"? Nobody is safe from dirty tricks by the people close to them.

So it is almost impossible to imagine Aleksandr Vasilyevich getting involved in such a thing. It would not fit in with his career as an honored "servant," nor with his present image that has found its place in our hearts. And he is not really unboundedly and desperately devoted to President Yeltsin. He is not going to take risks. He will not get involved in anything dubious.

So who?

Our brilliant "Merlin"? Georgiy Georgiyevich Rogozin? Zhora? Now he would certainly fit. The role is right for him. And the whole story falls into place.

Georgiy Georgiyevich's very wide connections in counterintelligence would also fit in very well with this scenario. And his military specialization, which forced him, like it or not, to cooperate with colleagues from the GRU (and they are very important characters in this whole story). And the indomitable energy with which he has sought to introduce occult studies into the practice of state administration.

This simply means that, like a real scientist, he does not intend to wait for nature or politics to be kind to him. He worked too long and too hard for the right to build his "Merlin's tower" before everyone's eyes. Now he is not going to let it be destroyed just like that. Just because of some elections.

[Author's note] The author expresses profound gratitude to his informants from the Russian Federation Presidential Staff, parliament, the government, and the counterintelligence organs, whose names, unfortunately, he cannot give, and also to his colleagues—the journalists Nataliya Gevorkyan, Anastasiya Naryshkina, and Aleksandr Bekker—for their help in preparing this article.

Congress of Russian Communities Examined

954F2205A Moscow MOSKOVSKIYE NOVOSTI in Russian No. 24, 9-16 Apr 95 p 7

[Article by Dmitriy Balburov under the "Opposition" rubric: "Russia—for the Russian Communities?"]

[FBIS Translated Text] The Congress of Russian Communities held a regular congress last weekend; in its scope, it surpassed the previous two.

The leader of the KRO [Congress of Russian Communities], Dmitriy Rogozin, was able not only to gather about 500 delegates from CIS countries, but also to get several famous politicians to participate in the event. In order to impart a solid respectability to the event, Duma Deputies Konstantin Zatulin, Sergey Glazyev, Stanislav Govorukhin, and Sergey Burkov were invited, as well as the chairman of the Federation of Goods Producers of Russia, Yuriy Skokov, and General Aleksandr Lebed.

Until recent times, the KRO had no competitors among the public movements that deal with the problems of

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Russians in the CIS. But two months ago, the administration of the president of Russia created the Assembly of Russian Countrymen (ARS), which immediately announced its claims to leadership on the "Russian question." According to the plan of the leaders of the KRO, this congress was to be an answer to the challenge thrown down by the ARS.

Neither of the organizations, judging by the scale of their advertising activity, are complaining of an insufficiency of funds. In the leadership of both the KRO and the ARS, there are fairly well-known names. The distinction lies only in the fact that the assembly emphatically distances itself from politics, whereas the congress has openly declared its claims to power.

Those who spoke at the congress talked amiably of a mortal danger hanging over Russia and Russians, and about the fact that only the KRO can save the country. In a report, Rogozin quoted the words of Zbigniew Brzezinski to the effect that Russia is no longer a partner, but a common client, and this evoked a burst of indignation in the hall. Rogozin called the ARS a "phantom organization."

The orators rejected possible accusations of nationalism and chauvinism. However, their rhetoric was quite harsh. For example, the former film director Stanislav Govorukhin called American congressmen "absolutely dense people, than whom no one is more stupid," and he expressed his willingness to take weapon in hand "if the authorities violate the Constitution."

Govorukhin's appearance at the KRO congress was occasioned by his personal convictions, and also by his long-standing ties with Sergey Glazyev and the Democratic Party of Russia [DPR], which, together with the Federation of Goods Producers, became a collective member of the congress. The alliance of the DPR and the KRO is profitable for both sides. The Democratic Party has preserved some structures in the regions, upon which the congress may now rely, because the Russian regions are its weakest place. Dmitriy Rogozin needs the financial support of the Federation of Goods Producers, and Yuriy Skokov with the help of the KRO can satisfy his power ambitions. He has been elected chairman of the KRO's national council; however, the levers of control will most likely remain in the hands of Rogozin, who has become chairman of the executive committee. As for Skokov, for the time being, a role like that of the queen of England has been prepared for him.

Likewise conforming to natural law is the participation in the congress of the chairman of the Duma Committee on Affairs of the CIS, Konstantin Zatulin, who for a long time virtually duplicated Rogozin's activity. It is possible that the choice of Zatulin was influenced by fact that his former comrade-in-arms in the electoral bloc and his current opponent, Sergey Shakhray, stood at the source of the creation of the KRO's competitor—the Assembly of Russian Countrymen. In his talk with this MOSKOVSKIYE NOVOSTI correspondent, Konstantin Zatulin directly declared that the ARS had been created for profitable commercial operations under the guise of concern for Russians.

Inarguably the most brilliant "star" of the congress was Army Commander Aleksandr Lebed. His speeches, more often than those of the others, were accompanied by thunderous applause in the hall, and during breaks between sessions a crowd of reporters invariably gathered around the general. Judging from his speeches, Lebed has conclusively decided to get involved in politics in the event that the minister of defense relieves him of his duties and sends him into retirement. Lebed avoided giving a direct answer to MOSKOVSKIYE NOVOSTI's question as to whether this contradicts the Army regulations and how he planned to combine military service with political activity, saying, with absolute opacity, "A hare married a lady elephant. In the time it takes him to run all the way around her, he gets out of breath. He has lost weight. The same with me."

In addition, the general from the rostrum called the Cossacks "mummers," after which several of those offended demonstratively left the hall. The militarily straightforward general could quickly acquire enemies within the KRO itself. In the congress lobbies he was being called a "cheap populist" and a "lover of a showy phrase."

Congress of Russian Communities leader Rogozin is confident in his powers and believes that the movement has a good chance at the elections. He does not want to repeat the mistakes of the 1993 campaign, when the congress, in an alliance with the Workers Socialist Party, could not pick up the necessary number of signatures. On the whole, the idea base of the KRO corresponds with the outlook of its leader; it is a whimsical mixture of monarchist, communist, and national-patriotic views.

The KRO congress, which went off with a bang, once again confirmed that national-patriotism is becoming, among the contenders to power, an indication of bon ton. According to certain data, Rogozin's congress is actively setting up contacts with the communists, although Gennadiy Zyuganov is at this point maintaining his silence on this point. If an alliance between the KRO and the Communist Party of the Russian Federation is effected, this voting bloc could become a serious competitor at possible elections.

Krasnoyarsk Leaders Support Chernomyrdin Bloc

MM0405152995 Moscow IZVESTIYA in Russian 4 May 95 p 2

[Report by Aleksey Tarasov: "Chernomyrdin's Electoral Bloc Scores Early Victory in Corridors of Power in Krasnoyarsk Kray"]

[FBIS Translated Text] Krasnoyarsk—Even before the organizing committee of V. Chernomyrdin's center-right bloc gathered for a session in a government residence

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near Moscow, a regional cell of this electoral association had already been created and presented to the public in Krasnoyarsk. This speed off the mark gave Yevgeniy Vasilyev, first vice governor of Krasnoyarsk Kray, who heads the local section of the bloc, the opportunity to state that its formation at grassroots level is a most important feature of the "Russia Is Our Home" political movement.

Representatives of the executive, entrepreneurs (the president of a major Russian insurance company was elected as Vasilyev's deputy for party building), leaders of industry, and figures from the arts and culture have announced a desire to unite under the premier's banner. The presence of the presidents of certain autonomous formations and industrial "generals" at the organizing committee session near Moscow and the present active formation of nomenklatura-based party cells in the regions testify to the good chances of the liberal-conservative bloc in the provinces, where the political climate is determined by the people in power rather than by the numerous tiny parties.

Krasnoyarsk Governor Valeriy Zubov has also joined this bloc.

This speed off the mark is interesting inasmuch as the initiators of the bloc have not made any detailed policy statements and have not circulated any conceptual documents. Broadly speaking, one thing is known—this is the "party of power." Clearly this is the attraction for the regional elites. The fact that the party is a ruling party, that it has been blessed by the president and is headed by the premier. The secret of its lightning success is that the local authorities were waiting for this party.

And finally they got it. And they swept into action: Having organized their own cell, they invited selected journalists, and in the kray administration building (the former CPSU kray committee) they presented themselves in their new capacity... The zeal with which the Krasnoyarsk establishment joins the electoral race has already played a nasty trick once before—not so much on the local officials as on those whom they decided to support.

It was here, where the first regional section of Chernomyrdin's bloc was formed, that, in an irony of our recent history, the "Russia's Choice" bloc started its campaign 10 November 1993, before the parliamentary elections. Local officials welcomed the party representatives who descended on the land of the Yenisey, including Yegor Gaydar, then first vice premier, Sergey Kovalev, and Garri Kasparov, with closed roads, flashing lights, sirens, mobilized special services, and so on, although the visit was a private one, not a state one. The Moscow visitors had one aim—to campaign for their bloc.

The force of the traditional approach to leaders outweighed understanding of the subtleties of the new principles of election campaigns. In doing everything to ensure that the Moscow visitors went out "to the people" and could use state money in winning their support, the local authorities did "Russia's Choice" a service which backfired. The taxpayers saw for themselves that they were paying for the "Russia's Choice" election campaign, and when election day came, almost one in three who went to the polling places in the kray voted for Zhirinovskiy's party.

While there is talk in Moscow of creating a two-party system based on the Chernomyrdin and Rybkin blocs, following the American example, the provinces are already essentially building a one-party system. This no doubt seems somehow more comfortable and more familiar. At any rate it is unclear at the moment how the center-left bloc will be formed in the kray.

So the politicized local party-economic nomenklatura is joining the federal "party of power." On the other hand, the governor of Krasnoyarsk is not signing kray laws on elections and on local self- government, although, according to the kray legislative assembly and various party activists dreaming of power, the ground is quite ready for this. The activists include the communist party—the only organized and powerful political force in the kray. But, whichever way you look at it, this is distrust of the electorate.

Thus the authorities at all levels want to preserve stability, and the question of the price is not the most important one. The formation of regional sections of the "party of power" testifies that the communists will find themselves with a real competitor in the form of a political party.

Tatar President on Bloc Support in Regions

LD0405184895 Moscow INTERFAX in English 1508 GMT 4 May 95

[FBIS Transcribed Text] KAZAN, May 4 (Interfax-Eurasia)—Russian regions and their leaders will back the electoral blocs of Russian Prime Minister Viktor Chernomyrdin and State Duma Chairman Ivan Rybkin if they do not include in their programs the thesis "on territorial re-organization of Russia and, in particular, the idea of dividing Russia into guberniyas (districts)," Tatar President Mintimer Shaimiyev told journalists today.

Tatarstan is a republic within Russia.

Shaimiyev said he believed that during the election campaign the new blocs must be in a situation equal to other blocs and must not have any special privileges. He said the Russian cabinet should not postpone implementing its program because otherwise "the party of power" "just will not be understood at the elections."

Shaimiyev said the new electoral blocs would counteract the tendency for electing to parliament mainly Moscow and St. Petersburg residents from the "top" parties in the Russian capital. He said he believed that if the situation was favorable for the new blocs Boris Yeltsin would

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announce that he would run for presidency in 1996 during the campaign for the parliamentary elections.

Shaimiyev said he believed that local elections must be held along with the parliamentary elections in Russia.

Law Could Affect Local Elections Procedure

954F2207A Moscow MOSKOVSKIYE NOVOSTI in Russian No 24, 9-16 Apr 95 p 10

[Article by Vladimir Yemelyanenko: "We Shall Elect Everyone, But Not Right Away"]

[FBIS Translated Text] The State Duma has finally adopted the Law "On Organization of the Organs of State Power of Federation Entities" in the third reading. This puts an end to the confusion that has surrounded the elections and appointments of heads of administration (governors) of krays and oblasts in the country. The fact of the matter is that originally, heads of administration were appointed by edict of President Yeltsin. The federal center attempted to secure for itself the right to appoint these figures of the executive authority. In 1993, several krays and oblasts, dissatisfied with Boris Yeltsin's appointees, abruptly violated the "tradition": Bryansk, Orel, Lipetsk, and Chelyabinsk Oblasts, Maritime Kray, and another 14 Federation entities declared an intent to elect their governors on a competitive basis.

The election campaigns that took place in the absence of a federal-wide law on elections reveal three trends.

First—declaration of the elections as unlawful by Moscow, with subsequent restoration, through a court, of the right of a Federation entity to elect the regional leader (Chelyabinsk, Vladivostok). Second—conflict between the Kremlin and the elected governor because of his illegitimacy (for example, less than 37 percent of the voters turned out at the election precincts in Kursk) or a difference in political convictions (Communists became the governors in Bryansk, Lipetsk, Vladimir, and a number of other oblasts). Third, and least typical—the course of the elections and their outcome suited both sides (Nizhniy Novgorod, Kaluga, Orel).

The year 1994 was a record for conflicts both between Moscow and the regions (Novosibirsk, Krasnodar, Arkhangelsk), and within the krays and oblasts-between the governor and mayor of the oblast capital (Vladivostok, Tyumen). In the absence of a unifying law, these conflicts did not simply remain unresolved—they multiplied. The main reason was parallelism between the local executive and representational authorities.

A trend was observed to the effect that the elected authority—local Dumas, legislative assemblies, and soviets—were considered the legitimate authority. With its dual nature—in some areas the highest officials were elected, in others they were appointed—the executive authority distanced itself more and more from the law and became entangled in conflicts.

As of 7 April 1995, the law adopted by the State Duma interprets the situation definitively: "The highest official of an entity of the Russian Federation is elected by the citizens who reside therein..." Thus, from this point on there will be no discussion of the appointment of governors through presidential edict. Just as there will be no discussion of the removal of a mayor from his post by a governor, as took place in Vladivostok. This right is afforded to the legislative (representational) organ of local authority. However, dismissal from office requires "violations of the Constitution, as established by a court."

It is true that the adopted law "spares" governor-appointees presently in office. A compromise decision has been found for them over the "transition period." An appointed governor is authorized to remain in office "until the Russian Federation entity adopts its charter."

FMS Says Influx of Refugees Continues To Increase

LD0405211495 Moscow ITAR-TASS World Service in Russian 1251 GMT 4 May 95

[By ITAR-TASS correspondent Liliya Kuznetsova]

[FBIS Translated Text] Moscow, 4 May, (ITAR-TASS)—The influx of refugees and forced resettlers to Russia increased considerably in the past two years. Two and a half million people moved to Russia from the CIS and Baltic states, Tatyana Regent, the head of the Federal Migration Service (FMS), told ITAR-TASS in an exclusive interview.

The majority of Russian refugees come from Tajikistan, Azerbaijan, and Uzbekistan. The influx of resettlers from Kazakhstan has also increased significantly of late.

Migration processes have become more intensive in Russia itself. Ethnic conflicts and fighting in North Caucasus have produced over 300,000 refugees. As a result of developments in Chechnya, 320,000 people were turned into refugees.

Illegal migration from the Third World countries poses a serious problem for Russia today, said the head of the Federal Migration Service. Their residents take advantage of the "transparency" of Russia's borders, getting into Russia in order to use it as a staging post on their way to the prosperous countries of Western Europe. According to FMS experts, the number of such refugees ranges between 500,000 and 1 million. They come mainly from Afghanistan, Iraq, Somalia, Sri Lanka, Ethiopia, Iran, Sudan, Angola, Pakistan, and Nigeria.

Media Issues

Mayak Radio's Financing Said Insufficient

LD0505124795 Moscow ITAR-TASS in English 1225 GMT 5 May 95

[By Tamara Ivanova]

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[FBIS Transcribed Text] MOSCOW, May 5 (Itar-Tass)—The funds allocated from the budget to finance state-owned radio stations will be enough only till the centenary of the radio, Vladimir Povolyayev, chief editor of Mayak radio station, told Itar-Tass on Friday. The centenary of the radio will be observed on May 7. The role of inventors of the radio Marconi and Russian citizen Popov will be emphasised on that day, under the decision of the European Broadcasting Union.

Povolyayev said that although the needs of broadcasting services were pointed out to the State Duma many times, the deputies endorsed the budget on which the state radio may be unable to function. It is now a matter of either cutting time on the air or closing a number of radio channels. For a long time now Mayak has been able to prepare broadcasts with the use of the funds accrued from advertising. The case with advertisements of Aum Shinri Kyo sect indicates that there must be no room for advertising on state-owned radio channels.

The monopoly of the Ministry of Communications is another problem for all state-owned channels. In these conditions, it is impossible to determine the real cost of services for propagating radio signals. Povolyayev also noted that most radio transmitters have already completed their service life and others are about to do so.

So with the centenary of the radio nearing, the state broadcasting is in the tragic situation, the chief editor of Mayak said. But even with the most unfavourable developments Mayak plans to spend funds received from advertising to rent a transmitter broadcasting to Moscow and the Moscow region in order to remain on the air.

Journalists Union Head on Congress Issues

954F2194A St. Petersburg NEVSKOYE VREMYA in Russian 27 Apr 95 p 1

[Interview with Vsevolod Bogdanov, chairman of the board of the Journalists Union of Russia, by Tatyana Poznyak; place and date not given: "Journalism Without Ethics Is Like a Church Without a Cross"]

[FBIS Translated Text] [Poznyak] Vsevolod Leonidovich, what will be noteworthy about the regular congress of journalists of Russia which opened today in the Kremlin?

[Bogdanov] This forum can in part be called extraordinary because of the principal importance of the questions the representatives of Russian journalism will discuss during the congress. The future arrangement and development of the press, television, and radio market and the development of advertising space should unquestionably be considered one of these problems. The problem will be examined in connection with the recent law adopted by the Duma on state protectionism in this sphere.

We also must not put off any longer confirmation of measures at the very highest levels for the legal and social protection of journalists. I have said more than once that a special personal journalist's card, which guarantees him a number of new rights and privileges in the performance of his official tasks, will in many ways help resolve this problem.

A big discussion will be held at the congress on the observance of ethical standards. One has occasion to hear too frequently today accusations directed at various publications and journalists of acceptance of engagements and corruption. Fending off such critics, many express by far not an irreproachable opinion that in the country's transition period both society and journalists are not yet ready for an "ethical revolution." What kind of gibberish is this? Journalism without ethics is like a church without a cross.

A special meeting will be devoted to social harmony, public safety, and the role that belongs to the press here. Alas, terror, gangsterism, and the mafia's impunity—this is our reality. Representatives of the president's administration will present their views in this regard at the congress.

Well, of course, it would be strange if the congress did not give its attention to journalist-veterans just before the 50th Victory Anniversary. "With a Leica and a Notebook" is what the meeting will be called that will be held in the Variety Theater. Each of its participants will receive as a gift the three-volume "Living Memory," issued especially for this day. The truth about the war—as the contents of the book can be described briefly—includes the best writings of frontline correspondents. At the conclusion of the conference the best journalists, including veterans, will depart on a charity cruise on the Mediterranean Sea. They will meet with their colleagues from Spain, Italy, Turkey, and other countries on this trip.

Military, Nuclear & Space Issues

Shaposhnikov on Grachev's Arms Sales Proposal

LD0405165795 Moscow Russian Television Network in Russian 1300 GMT 4 May 95

["Vesti" newscast]

[FBIS Translated Text] In both Chechnya and Tajikistan, as well as in other trouble spots throughout the world where fighting is going on, many Russian-made weapons are being used. After reports from regions where blood is being shed, the thought that weapons serve not only to kill but also to make money sounds rather cynical. The arms trade was the topic of a news conference that our next item is about. [video shows Marshal Yevgeniy Shaposhnikov being ushered into a large room by a man later identified by caption as Sergey Anatoliyevich Nosovets; Shaposhnikov addressing news conference throughout]

[Begin recording] [Correspondent S. Brilev] The subject of arms sales dominated today's meeting at the press

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center of the information directorate of the Russian president's administration. Journalists were addressed by the well-known military politician Yevgeniy Shaposhnikov, who, it will be recalled, holds the post of the president's representative at Rosvooruzheniye, the state company for the export and import of weapons and military equipment. It was at his initiative that the well-publicized checks were carried out at Rosvooruzheniye that resulted in the prosecutor general's instituting criminal proceedings.

[Shaposhnikov] Criminal proceedings have been instituted in connection with an instance or instances of certain violations, so far without any concrete action. Naturally, each case will be conducted against specific defendants, with a surname, name, and patronymic, and so on and so forth.

[Brilev] Marshal Shaposhnikov rejected allegations to the effect that the much-publicized check at Rosvooruzheniye was connected with a behind-the-scenes struggle between various political forces.

[Shaposhnikov] All that taken together is not underpinned by, or does not have, any politics or intrigue. I think all this is aimed at strengthening the authority of the state, government, and president.

[Brilev] Shaposhnikov also commented on today's statement by Pavel Grachev about putting the Defense Ministry in charge of the sphere of military and technical cooperation with foreign countries.

[Shaposhnikov] I don't think there's any point in producing businessmen in military shoulder-straps. [end recording]

Grachev's Bid To Take Over Arms Export Examined

MK0505100195 Moscow KOMMERSANT-DAILY in Russian 5 May 95 pp 1, 4

[Report by Aleksandr Koretskiy: "Struggle for Arms Export Control. A Scandal as a Pretext To Reallocate Profits"]

[FBIS Translated Text] Yesterday's meeting of the Russian Government manifestly refuted assertions by certain officials that a scandal over financial irregularities at the "Rosvooruzheniye" state company does not have a political bottom line. The first answers to the question of "Qui Prodest?" turned out to be inaccurate. Vladimir Shumeyko may well be a founder of "Rosvooruzheniye," but by November 1994 he lost whatever possibilities he may have had to influence the arms trade, which came under the control of the president's immediate entourage and the chief of a specially created state committee. Pavel Grachev, for his part, is intent on directly capitalizing on the scandal: Yesterday, he sent a proposal to the cabinet requesting that the arms trade be turned over to his ministry. The minister is undeterred by an absence of similar precedents in world practice or a lack of trade skills—when the issue is billions of dollars, there is no time to be afraid.

Turning control of arms exports over to the Defense Ministry, Grachev reasons, would enable Russia to retain its position in the world arms market and dissuade potential customers from turning to its competitors, first of all the United States and France. At the same time, the minister cited Ethiopia, which has recently been giving increasing preference to U.S.-made weapons, as an example of a traditional partner lost to Russia. The minister knows perfectly well who is to blame for that and also for the fact that in 1994 Russian arms exports shrank $800 million (from $2.5 billion to $1.7 billion). This is "a bloated bureaucratic system" and first of all the "Rosvooruzheniye" company, which was not only unable to explain to its customers "who should order weapons and who will be delivering the order," but also has brought about a situation where manufacturing enterprises "find a part of their earnings withheld."

Grachev intends personally to remedy the situation. He outlined his vision of the problem in an official letter to the prime minister. We know what's what as far as weapons are concerned, he writes, and have gained some advertising experience (the minister has indeed put a considerable effort into helping Russian arms advance to new markets—many of his foreign counterparts have learned about the capabilities of Russian military hardware at demonstration exercises). Most important, the minister has no doubts whatsoever regarding the fact that once he is given the right to coordinate the entire trade in Russian-made weapons the international market will recover and nearly all budget problems will be resolved "thanks to extra earnings."

Too little experience? Fiddlesticks! As recently as one year ago the defense ministry had a specialized structure—"Voyentekh"—which used to control up to 35 percent of Russian arms exports. The Defense Ministry did indeed have a generous supplement to its budget appropriations. But in the autumn of 1994, when yet another and final centralization of arms exports took place, a state committee on military and technical policy was set up and "Voyentekh" lost the right to enter foreign markets on its own. The Defense Ministry has found itself partly dependent on the "Rosvooruzheniye" state company: Proceeds from foreign sales of hardware from the Defense Ministry's depots were from that time on due to be split between the ministry and the middleman. And although "Rosvooruzheniye" kept, as a rule, only 3-4 percent of the proceeds for its services, the military were displeased all the same. For this reason, as soon as the state company's position has weakened, they were swift to try to avenge themselves by gaining control not only of "Rosvooruzheniye," but also, judging from Grachev's speech, of the state committee itself. This proves that either the minister has a vague idea about the alignment of forces involved in the arms export, or, on account of a well-established tradition, he is convinced

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of his own invulnerability, even to the omnipotent presidential security service.

As for the realization of Grachev's proposals, it is hardly feasible. First, the military does not have complete independence in the arms trade in any country of the world. The sole exception appears to be China, and that only to a certain extent: They do take into account recommendations by the Foreign Ministry and the political consequences of arms exports. And there is also the top party leadership towering above all that.

In the United States, arms exports appear at first sight to be absolutely chaotic. In reality, however, there is an stable list of key exporters which is extremely difficult to join. The military only recommend to whom weapons can be sold and which weapons. Neither France, nor Britain, nor any other more or less developed country has a practice where arms exports are controlled by the defense ministry—as a rule, it is invested with supervisory functions to monitor the military-strategic situation in a region to which the hardware is to be supplied and to give relevant recommendations.

As for "extra earnings" for the state budget (and, hence, for its defense provisions) they are but a myth. The world arms market is shrinking, while more and more exporters are entering it (selling not only weapons, but also weapons-related services); competition is at its fiercest. Only marketing and financial professionals, those who spurn political dogmas and think everything that earns profits to be advisable, can survive in it. Maybe there are such people in Pavel Grachev's ministry, too, but there are clearly too few of them to coordinate the entire trade in Russian arms. Therefore, to all appearances, the issue is the distribution of proceeds from the sale of weapons—it no longer suits both the manufacturers and the military, who have a great quantity of mothballed up-to-date combat hardware the contemporary Russian Army simply does not need (it was manufactured with the size of the Soviet Army in mind). In that regard, it cannot be ruled out that certain changes in the distribution of proceeds will be made after the minister's demarche. As a matter of fact, Yevgeniy Shaposhnikov, the presidential representative in "Rosvooruzheniye," did not rule that out either. Speaking at a news conference with regard to the scandal over the state company yesterday, he held a negative view on the Defense Ministry's possible involvement in the arms trade. But he confirmed, however, that many people are displeased with the way proceeds from arms sales are being distributed.

Grachev Hears of Veterans' Discontent With Media

LD0405170395 Moscow NTV in Russian 1500 GMT 4 May 95

[Report by correspondent Marianna Maksimovskaya]

[FBIS Translated Text] A meeting with the veterans of Moscow's Pervomayskiy District has been added today to the Defense Minister Pavel Grachev's pre-anniversary festival paraphernalia. The minister explained his focus on the veterans' organization of this particular district by the fact that he had recently received a letter from a veteran who lived in Pervomayskiy district. He decided to take up this letter, in which the veteran accused some politicians and mass media of denigrating the Russian Army, Grachev claimed.

[Begin Grachev recording] Yuriy Antonovich, I am so grateful to you for your letter. Such support coming from the war veterans, your expertise is very dear to us. It gives us force and faith. [end recording]

The veterans talked about their discontent with the attitude toward the Army that has developed in recent years, and they suggested that the defense minister communicates to the president their desire for improving the situation. The veterans suggested, for example, that basic military training be reintroduced in schools, and more importantly, that amendments be made to the law on the press to the effect that journalists should not go unpunished for criticizing the military. In the middle of the meeting Grachev apologized and popped out to his car to phone the president. When he came back he said that the president had sent the veterans his warm regards. The minister also thanked the veterans on his own behalf—for their support, he said.

[Begin Grachev recording] No one would be able to force me into changing my course—not a single newspaper, not a single speech, and other things. This is what I promise you. [end recording]

In conclusion, the defense minister awarded memorial certificates, medals, and souvenirs to the veterans. He also exchanged presents with the authorities of the district: The prefect gave the minister a clock, and the minister gave him a commander's watch.

Lebed Sees Possibility of Army Unrest

LD0405190395 Moscow INTERFAX in English 1552 GMT 4 May 95

[FBIS Transcribed Text] Tiraspol, May 4 (INTERFAX)—Commander of Russia's 14th Army in Transdnestr Region Aleksandr Lebed does not rule out an outbreak of army unrest if the Russian defense minister's directive on army command reform is implemented.

In an interview with INTERFAX, he spoke of receiving the directive too late and not knowing how to implement it.

The general described as ill-conceived the ministry's resolution removing the top level of "the well-armed and well-disciplined mechanism" (the army) which may be fraught with dire implications.

He accused the authors of the directive of not caring about the future of the army. "It is hard to say what the servicemen will do, but they will certainly stand up for themselves", Lebed said.

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He said the regional administration was forcing them to stay put in Tiraspol regardless of what happens to the 14th Army. Lebed said interim accommodation permits were issued to servicemen to occupy apartments at the two new apartment blocks intended for the 14th Army which they are supposed to give back to the administration in the event of dismissal.

"Many will want to stay on, but the minister's directive means about 100 officers to be made redundant", the general said.

Asked about his own future, Lebed spoke of several offers being made by the defense ministry but he was still undecided. Lebed does not rule out embarking on a political career. But he will make his decision known only after the May 9 ceremonies.

Grachev Issues Order on Draft for Apr-Jun

MM0405132995 Moscow KRASNAYA ZVEZDA in Russian 4 May 95 p 1

[Russian Federation Defense Minister's Order of the Day No. 145 "On the Draft of Citizens of the Russian Federation for Military Service in April-June 1995 and on the Discharge Into the Reserve of Soldiers, Sailors, Sergeants, Petty Officers, and Military Construction Workers Who Have Completed Their Prescribed Period of Military Service" dated Moscow, 30 April 1995, and signed by Army General P. Grachev]

[FBIS Translated Text] To implement the Russian President's edict No. 431 dated 29 April 1995, I order:

1. That soldiers, sailors, sergeants, petty officers, and military construction workers who have completed their prescribed period of military service be discharged from the ranks of the Russian Federation Armed Forces into the reserve.

2. That commanders of military districts and officers in charge of military commissariats work with heads of local administrations to organize and implement the draft of Russian Federation citizens born between 1968 and 1977 with no right of deferral or exemption from service into the Russian Federation Armed Forces and other troops and military formations in April-June 1995.

3. This order is to be posted in all companies, batteries, squadrons, and on ships.

[Signed] Army General P. Grachev, defense minister of the Russian Federation

Text of Law Amending Earlier Military Service Law

MM0505124195 Moscow ROSSIYSKAYA GAZETA in Russian 4 May 95 First Edition p 3

[Russian Federation Federal Law No. 69 on Introducing Changes and Additions to the Russian Federal Law "On Military Service Obligation and Military Service" adopted by the State Duma on 7 April 1995, signed by Russian Federation President Boris Yeltsin and dated 29 April 1995, the Kremlin, Moscow]

[FBIS Translated Text] **Article 1.** The following changes and additions are to be made to the Russian Federation Law "On Military Service Obligation and Military Service" (VEDOMOSTI SYEZDA NARODNYKH DEPUTATOV ROSSIYSKOY FEDERATSII I VERKHOVNOGO SOVETA ROSSIYSKOY FEDERATSII, 1993, No. 9. page 325):

1. Article 17:

in Paragraph 1, the following provision is to be removed: "This contract stipulates a citizen's obligation to perform military service in the circumstances indicated in Part 3 of Article 19 of this law.";

this article is to be augmented by Paragraph 5, which reads as follows:

"5. The procedure for conferring the military rank of officer on a citizen who has successfully completed studies under the reserve officer training program at the military department of a state higher vocational training educational establishment is laid down by the Statute on the Procedure for Performing Military Service.".

2. Paragraph 3 of Article 19 is to be worded as follows:

"3. A citizen who has graduated from a state higher vocational training educational establishment, studied under the reserve officer training program at the military department of that educational establishment, and not performed military service is required to attend the envisaged by the reserve officer training program during the performance of his draft military service.

"A citizen who has studied under the reserve officer training program at the military department of a state higher vocational training educational establishment and has performed military service is required to attend the training sessions (tour of duty in line unit) envisaged by the reserve officer training programs during his period of studying in that educational establishment.

"A citizen who concluded a military studies contract under the reserve officer training program prior to the entry into force of this federal law is drafted for military service in accordance with the Russian Federation presidential edict and performs it according to the procedure laid down for military servicemen who are performing military service under contract.".

3. Paragraph 2 of Article 21:

Subparagraph "b" is to have the following words added "a citizen is entitled to enjoy deferment of his induction for military service to obtain vocational training once only."

Subparagrah "c" is to be removed.

4. Paragraph 1 of Article 37 is to be worded as follows:

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"1. The period of servicemen's military service is established as follows:

"for those performing draft military service 24 months;

"for those with a higher education and performing draft military service 12 months;

"for those performing military service in accordance with the terms of the military studies contract under the reserve officer training program 24 months (for persons who concluded such contracts prior to the entry into force of this federal law);

"for those performing military service on contract the period is the duration of the contract.".

5. Article 50:

Paragraph 2 is to be removed;

Paragraphs 3 and 4 are to be regarded as respectively Paragraphs 2 and 3;

Article 2. Paragraph 4 of Article 1 of this Federal Law is effective as of 1 October 1995 and applies to servicemen drafted earlier and performing draft military service.

Article 3. This Federal Law comes into force from the day of its official publication.

Normative legal acts of the Russian Federation are to be brought into line with this Federal Law within one month of its entry into force.

[Signed] Boris Yeltsin, president of the Russian Federation
29 April 1995
The Kremlin, Moscow
No. 69-FZ

Yeltsin Edict on Spring Military Draft Published

MM0405145795 Moscow ROSSIYSKAYA GAZETA in Russian 4 May 95 First Edition p 1

[Edict No. 431 of the Russian Federation President "On the April-June 1995 Military Service Draft and the Discharge of Soldiers, Seamen, Sergeants, Petty Officers, and Military Construction Personnel Who Have Completed Their Military Service," dated 29 April 1995, The Kremlin, Moscow and signed by Russian Federation President B. Yeltsin]

[FBIS Translated Text] In accordance with the Russian Federation laws "On Defense" and "On Military Duty and Military Service" I rule that:

1. A total of 209,800 Russian Federation citizens who were born between 1968 and 1977 and are not entitled to service deferment are to be drafted in April-June 1995 for military service in the Russian Federation Armed Forces and other forces and military formations.

For official use.

2. Soldiers, seamen, sergeants, petty officers, sand military construction personnel who have completed their military service are to be discharged.

3. Federal organs of executive authority, where military service exists, are to take steps to recruit extra citizens for voluntary military service on contract in posts designated for sergeants, petty officers, soldiers, and seamen.

4. The Russian Federation Government and organs of executive authority in the Russian Federation's components are to ensure that measures are implemented to draft citizens.

5. Draftees are to be transported, as a rule, in teams in special passenger trains or on special aircraft or ships.

The Russian Federation Ministry of Railways and Ministry of Transport are to provide the requisite rolling stock, aircraft, and ships or room in special railroad cars, aircraft, or ships at the request of the relevant command and are to transport the aforementioned individuals safely at the required time and to charge for the trips at the mutually agreed rate.

6. This edict enters into effect on the day of publication.

Professional Army Seen as Unrealistic

MK0505070095 Moscow SEGODNYA in Russian 4 May 95 p 2

[Report by Pavel Felgengauer under the "Induction" rubric: "No Professional Army Can Be Foreseen in Russia So Far. The Present One, However, Will Not Be Made Better by New Laws"]

[FBIS Translated Text] The conflict in Chechnya has unveiled the low operational efficiency of the understrength and poorly trained Russian army. Soldiers for composite regiments sent to Chechnya were mustered from everywhere—from Vladivostok to Kaliningrad. Even inductees from Strategic Missile Forces units were drafted. These awkward composite units sustained heavy losses in the battle for Groznyy, and it was only by a miracle that the federal troops were not routed in early January.

It has become obvious to all political forces in the Duma that something needs to be done with the army. The allocation of some additional funds to improve the situation qualitatively, however, has been impeded by other—more potent—lobbyists. Therefore, the simplest and the most inexpensive decision was made—to extend the term of service to two years, and to enroll students after their graduation from institutions of higher learning. As is known, only the recently much downsized "Russia's Choice" faction—which represents the interests of the liberal Russian intelligentsia in the Duma—was against this.

The law was passed through the parliament's upper house without a vote, and during the May holidays [Labor Day, 1 and 2 May] it was signed by the president.

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As a result, this spring, soldiers who have completed their one-and-a-half-year term of service will be discharged after all. In the autumn, however, there will in all probability be only induction—without mustering out.

Meanwhile, the most inexpensive decision is by far not always the best one. The troops' staffing will rise somewhat, but this will hardly improve the situation in the army. The prospect of serving for two hard years instead of one and a half, as well as the fear of being sent to the area of military hostilities, is likely to increase the number of deserters; at the same time, a presidential edict, signed concurrently with the new law, has virtually abolished active service for graduates.

From now on, former students will be inducted only if they fail to find a job in the state sector or to proceed with their postgraduate education. Without any doubt, in the next few months, a stable market price for a certificate of government employment for future graduates will be established, and there will be no rise in the number of draftees.

The army problem will not resolve itself, and extending the term of service will bring no solution. Some (by 25 percent) rise in the number of inductees in the army will remedy one of the symptoms, rather than the disease itself. It is expected that, as a result of the new law, the full strength of units will rise to 80-85 percent. Staffing in the airborne troops, however, is already 85 percent, and, all the same, it was ill-mustered composite battalions of commandos that fought in Chechnya. General Yevgeniy Podkolzin, airborne troops commander, explains this by the fact that, in reality, not more than one third of available personnel can be sent into action. As for the rest, they either need to train new recruits, to maintain the functioning of cantonments, to guard stores, or have been just drafted and are incapable of doing anything.

The war in Chechnya has also shown that the Russian army's armaments are outdated and ill-suited even for a local war with a second-rate enemy. If Russia has indeed entered a period of fierce and bloody local wars, it needs a completely different army, furnished with other arms. It needs up-to-date communication facilities, combat helicopters and airplanes capable of acting in the night, in bad weather, and so forth. It needs money—a lot of money. But above all, it needs a fundamental decision: What kind of army is it possible to create in principle—otherwise, any allocation of funds will be useless, as before.

In the meantime, the public dispute as to whether the Russian army will or will not become fully professional (on a contractual basis) before the year 2000 continues. Military people say they would be glad to abolish induction, once they had money. In reality, however, the generals use cunning—the Russian army will not be able to become professional within the next 10 years, even if 90 percent of the entire budget were allocated for defense.

An inductee who goes to serve in the army is a law-abiding citizen and, most probably, he will fulfill orders there conscientiously. As for a volunteer who has made up his mind to sign a contract to serve in the modern Russian army, he could be a person of clearly shady qualities. Quite possibly, he could be simply obsessed with the idea of killing for money or even worse. In the U.S. Army or in the French Foreign Legion, there is a strict selection system for future professionals, staffed with experienced professional sergeants, and within the first several months some 40 percent of contractees drop out.

There is nothing like that in the Russian army: It takes six months there to make sergeants out of 18-year old former schoolboys. Over the past two years, goodness knows who has been taken into the army to serve on contract, including a great number of officers' wives—for the sake of the second salary in an officer's family. In some divisions, up to 20 percent of personnel are women, including machine-gunners, grenade throwers, and those on other combat duties. Naturally, nobody has sent them to Chechnya—to a real war.

The program of inducting on a contractual basis and the idea of mixed contractual-inducted armed forces has failed completely. In Chechnya, purely professional special-purpose militia detachments [OMON] preferred to engage in looting and drinking, whereas new recruits were actually fighting. The creation of a professional army in Russia should start with instituting a professional sergeant corps; as for inductees, they are to serve only as privates, as for instance in the Bundeswehr. Training professional sergeants, however, requires even more time than training officers. According to the Pentagon's official data, 18 years are required to train a full-bodied battalion commander, while it takes 22 years to train a battalion sergeant.

The fundamental decisions, however, are adjourned again. Last Sunday, Yuriy Baturin, the national security aide to the president, said that "the president is working hard on military reform" and that it is "not far distant." Incidentally, the war is fought on this side of the Caucasian range, too.

As long as the concept of reform continues to be discussed in the lobby, the term of service will have to be further extended—say, to three years. Equally, the reasons for deferment—including purely medical ones—will have to be reduced. No doubt, authorities will also have to toughen considerably the punishment for evading induction. If, however, there is no money for serious training, no number of inductees will help. And the army will have to learn how to fight, anyway—in battle, sustaining heavy losses, like in Chechnya.

Kaluga Plant Producing Probes for Mars Mission

MM0405135395 St. Petersburg Fifth Channel Television Network in Russian 1630 GMT 9 Apr 95

[Report A. Aristarkhova from Kaluga; from the "TV Inform" program]

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[FBIS Translated Text] [Aristarkhova over video of Kaluga Turbine Plant production facilities] The international space expedition to Mars, scheduled for the year 2010, will be preceded by flights of automated stations for purposes of a detailed study of the Red Planet. During these difficult times in our economy, the Kaluga Turbine Plant has received its first space order. Using conversion technologies, it is manufacturing a series of Mars probes from especially tough materials.

[V.S. Dyakonov, designer and shop foreman, identified by caption] These are the main components of the probe. The upper part will enter the Mars surface, and this part will remain above ground.

[Aristarkhova] The first nine fully equipped probes have already been successfully tested in Moscow. It has to be noted that the program is an international one with many countries taking part.

[Dyakonov] I come from Kaluga. I remember Tsiolkovskiy well. My mother worked for the company headed by Tsiolkovskiy.

[Aristarkhova] Thus the Kaluga-Mars route plotted by the great scientist and visionary Tsiolkovskiy at the dawn of the 20th century is being translated into reality in Kaluga. [video shows turbine plant production facilities and closeups of probe, interview, statue of Tsiolkovskiy]

Federal Assembly

Federation Council Agrees To Send Troops to Angola

LD0405114995 Moscow INTERFAX in English 1039 GMT 4 May 95

[FBIS Transcribed Text] MOSCOW, May 4 (Interfax)—Having considered on Thursday the request by the Russian president, the Federation Council gave its consent for "sending at the disposal of the UN Control Commission in Angola a contingent of Russian Armed Forces, including 160 servicemen and leasing seven MI-8 helicopters for the period of holding the UN operation." The relevant decision was taken by deputies at the closed session on Thursday [4 May].

The resolution of the upper house of the Russian parliament orders "the solution of questions connected with the sending of a military contingent under command of the UN Control Commission, its financial support and the boosting of servicemen's activities in difficult climatic conditions of Angola".

Besides, the Federation Council recommended that the Russian Government "send the money coming from the United States for services by the military contingent for solving problems of social support of Russian servicemen."

The letter by Russian President Boris Yeltsin to chairman of the Federation Council Vladimir Shumeyko proposes to satisfy the request by the UN Secretary General for sending of a Russian military contingent due "to Russia's particular responsibility for the international stability as a permanent member of the UN Security Council, its role in holding UN peace-keeping operations".

"Russia's participation in support by planes and helicopters of the UN peace-keeping operation in Angola is necessary for the preservation and development of our traditional close relations with Angola, the confirmation of Russia's important role in elimination of conflicts in Africa, partial return of currency funds paid by the Russian Federation to the UN budget," says the Russian president's letter spread among the deputies.

Council Passes Law on Presidential Election

LD0405120995 Moscow ITAR-TASS in English 1203 GMT 4 May 95

[By Lyudmila Yermakova]

[FBIS Transcribed Text] MOSCOW May 4 (Itar-Tass)—The Federation Council, the upper house of the Russian parliament, approved the law on presidential elections Thursday [4 May] after the State Duma, the lower house, agreed to introduce amendments into it.

The first version of the law was voted down by the Federation Council and returned to the Duma, which went along with the proposal of the upper house to reduce from 1.5 million to one million the number of the required signatures of voters for a presidential candidate to get registered.

Another approved amendment says that if the Federation Council fails to announce the presidential election in the timeframe stipulated by law, the election of the head of state will be held by the Central election commission on the first Sunday of the month following that in which the powers of the President expire.

The Duma also agreed that in case the upper house decides to impeach the President, but fails to announce new elections, the polls are to be held not later than in three months after the impeachment.

In addition, deputies made a supplement to the article of the law under which President-elect is inaugurated on the 30th day since the returns of the election of the head of state are officially announced by the Central election commission. The acting president discharges his duties until the president-elect is inaugurated.

However, the Duma refused to back the proposal allowing presidential candidates to form their own election funds.

Yelena Mizulina, deputy chairwoman of the constitutional legislative committee of the Federation Council, told the deputies that amendments and remarks ignored by the Duma "were mostly of political, rather than legal character".

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Agricultural Stabilization Plan Approved

LD0405223195 Moscow ITAR-TASS World Service in Russian 1559 GMT 4 May 95

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[FBIS Translated Text] Moscow, 4 May—Russia's Federation Council today approved a draft program for the stabilization and development of agricultural production in Russia during the period 1996-2000. The government is required to endorse it before 1 June this year. The Federation Council's agrarian policy committee has to prepare draft laws to develop the program.

The draft program was drawn up in line with a Federation Council resolution by a large group of specialists from both chambers of parliament, the Ministry of Agriculture and Food and the Russian Academy of Agricultural Sciences. It was approved by a Russia-wide economic conference. The main purpose of the program according to Vyacheslav Zvolinskiy, chairman of the Federation Council's agrarian policy committee, is to devise measures to end the crisis in the agricultural industry. The program will be implemented in two stages. During the first stage it is envisaged that organizational and economic measures will be carried out before 1997 to end the crisis in the agricultural industry and to overcome the slump in production. During the second stage covering the years 1998-2000 a transition will be secured from stabilization to growth of agricultural production. This is to be facilitated by new technologies for the production, storage and processing of produce and by the use of modern machines, fertilizers and pesticides. It is planned to modernize the processing industry and to set up a ramified market infrastructure.

The deputies today rejected the law "On a moratorium on the unilateral reduction of the Black Sea Fleet" as being at variance with international norms.

The discussion of the law "On the state's defense order" has been postponed to the next sitting.

Lease of Kazakhstan's Baykonur Ratified

LD0405190195 Moscow ITAR-TASS in English 1613 GMT 4 May 95

[By Lyudmila Yermakova]

[FBIS Transcribed Text] MOSCOW, May 4 (Itar-Tass)—The Federation Council (upper chamber of the Russian legislature) ratified on Thursday [4 May] an agreement with Kazakhstan concerning the lease of the Baykonur space launching centre for 20 years.

According to Pyotr Shirshov, chairman of the Council's Defence and Security Committee, the agreement "meets the interests of our country, its defence and federal space programme".

Shirshov said that Russia has already signed ten contracts with foreign partners to put their spacecraft into orbit, worth of about 650 million dollars.

Russia's alternative cosmodrome, Plesetsk (northern Russia), is situated to far from the equator to suit for a majority of planned launches.

Federation Council Approves Law on Child Benefits

LD0405184695 Moscow INTERFAX in English 1554 GMT 4 May 95

[FBIS Transcribed Text] MOSCOW, May 4 (Interfax)—The Federation Council, the Russian parliament's upper house, approved Thursday [4 May] a law on child benefits passed by the Duma on April 26.

Under the law the annual benefits for children under 16 will amount to 70% of the minimum wage, which is 43,739 rubles as of May 1.

There will also be benefits for the birth or adoption of a child amounting to ten times the minimum wage.

A ruling of the Social Policy Committee of the Federation Council says that government spending on child benefits will amount to 1,478 billion rubles a month: 247.9 billion from the Social Security Fund, 184.6 billion from the federal budget and 1,046 billion from local budgets.

Conciliation Commission Appointed on Election Bill

LD0405183395 Moscow ITAR-TASS in English 1742 GMT 4 May 95

[By Valeriy Mitenev and Galina Filippova]

[FBIS Transcribed Text] MOSCOW, MAY 4—The Federation Council, upper parliamentary chamber, appointed a conciliation commission to come to a compromise with the State Duma, lower chamber, on the disputable Duma election bill after it crashed for a second time with eleven "yes" votes against 111, with 130 Senators voting.

As in the previous voting, the bill stumbled on the proportion between MPs representing constituencies and political parties. The Duma was proposing equal numbers, with which the Council wouldn't put up.

The Councillors want party candidates to be omitted altogether, says Vassiliy Tarasenko, in charge of the conciliation commission and the chamber committee for federal affairs, the Federal Treaty and regional policies. "We'll put up with the Duma version only if it has really influential parties to show us in Parliament," he said caustically. Councillor Petr Premyak, representing the Kamchatka Peninsula in the Russian Far East, added fuel to the fire as he pointed out that the fourteen political parties officially registered in his constituency have a

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negligible total membership of 146. "Kamchatka's voters don't want to elect a Duma on doubtful party lists."

Even if the Federation Council turned down the bill again, it is sure eventually to pass, Duma Speaker Ivan Rybkin said to RIA. "Either we do away with its veto, or put up with a compromise arrangement for 300 seats to belong to constituencies and 150 to political parties and election blocs."

Sergey Baburin, another RIA interviewee, was not so optimistic. He thinks the Council veto is a formidable barrier, but hopes President Yeltsin has enough common sense to back the Duma. "This alone can confirm Russia's multiparty system."

Federation Council Wants Say in Troop Stationing Abroad

LD0405150095 Moscow ITAR-TASS in English 1439 GMT 4 May 95

[By Lyudmila Yermakova]

[FBIS Transcribed Text] MOSCOW, May 4 (Itar-Tass)—Some 150,000 Russian troops are now stationed beyond the boundaries of Russia without approval from the Federation Council, chairman of the Federation Council Security and Defence Committee Petr Shirshov told reporters today.

Shirshov said the troops were sent to other states under bilateral agreements which had been ratified by the defunct Russian Supreme Soviet.

The committee chairman said the new Russian Constitution requires that any aspects of the stationing of Russian troops abroad be reviewed by the Federation Council, the upper house of the parliament.

The Federation Council today gave consent to dispatching 160 Russian troops and seven helicopters to the U.N. Monitoring Commission in Angola.

Federation Council Meets To Discuss Election Bills

MK0405122395 Moscow KOMMERSANT-DAILY in Russian 4 May 95 p 3

[Report by Maria Bogdanova: "Pre-Holiday Fuss Interspersed With Pre-Election Bustle"]

[FBIS Translated Text] In the runup to the 50th anniversary of V-Day, election cares seem to have been pushed into the background: At first glance, all politicians are engaged in preparations for what is going to be the grandest celebration in Russia's history. Boris Yeltsin, who let Viktor Chernomyrdin and Ivan Rybkin float free politically, is inspecting the memorial complex on Poklonnaya Hill while the premier is making the arrangements to accommodate the arriving dignitaries, and Rybkin is taking things easy after a sojourn on hospitable U.S. soil. Following the speaker's cue, the entire Duma is taking a rest. And only the Federation Council, a good third of which is bet on by Chernomyrdin, is meeting today for a one-day session.

The deputies had to cut short their May holidays, though not by their own choosing: They have to thank the State Duma for that. The fact is that some of the laws adopted by it call for immediate consideration; otherwise, they will go to the president for signing without a discussion in the Federation Council. Naturally, where election laws are concerned, the deputies are in no mood to waive their rights. The sense of duty is all the stronger given that they have once rejected these laws. But today the Federation Council will, in all likelihood, approve the law on presidential elections, which has caused the least controversy. The law on elections to the State Duma, however, is bound to see a recurrence of bad fortune, because it has retained the former parliamentary seat quotas: 225 seats for majority constituencies and 225 for party slates. Such a proportion suits the Duma, but in no way does it suit the president or the Federation Council.

In rejecting this correlation, the regional deputies are fighting against the domination of Muskovites in the lower house, while the president fights to create favorable conditions for the Chernomyrdin bloc, which, according to many observers, has the best chance of carrying single-seat constituencies. And although presidential analysts are at one in saying that a bad law is better than no law at all (and the president understands this), the less discerning deputies even on the eve of holidays may not revise their original decision. Thus, the act of balancing between a "bad law, but a law" and a "good one, but an edict," will continue for some time to come.

The upper house members' sense of duty miraculously applies only to some laws: As is known, the controversial law on extending the term of compulsory service in the Armed Forces bypassed the house and was signed by the president. Everything is very easily explained: If a law—according to the sovereign reasoning—needs to be rejected, it should be given to the Federation Council for consideration; those decisions that are as vital to the state as air will be better off without being subjected to undue risks. Because the deputies themselves are aware of this algorithm, it is not ruled out that Vladimir Shumeyko will be treated to yet another squall of attacks on the part of his wards.

The president also suffers from hyper-selectivity. For instance, he asked the Federation Council to authorize the dispatch of a Russian military contingent at the disposal of the UN monitoring mission in Angola (there are plans to send seven Mi-8 helicopters and 160 Russian servicemen there), but made no requests in other, similar situations. According to Petr Shirshov, chairman of the Defense and Security Committee, military contingents are today stationed in 10 states and include more than 100,000 men, while permission from the Federation Council has been given only for servicemen in the former Yugoslavia and in Georgia.

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Presumably, apart from purely legislative reasons, there is yet another, unpublicized reason for the pre-holiday convocation of the upper chamber. Reports have already emerged in the press that Chernomyrdin is going to co-opt Konstantin Titov, governor of Samara Oblast, into his bloc's organizing committee. The day after the premier announced the start of his election campaign, Sergey Filatov told journalists that the bloc is supported by 80 percent of local executive branch chiefs. (Incidentally, politicians are now competing in describing the premier's initiative: During the past festivities Konstantin Borovoy called it "a usurpation of power by state officials," while Albert Makashov dubbed it "a relocation of instruments in a lousy orchestra"). It is quite likely that tomorrow will be the first review of forces recruited into the new bloc: It is easier for the busy premier to look at his possible associates when they are all gathered in one place.

Federation Council Rejects Draft on Regional Authority

LD0405215295 Moscow ITAR-TASS World Service in Russian 1550 GMT 4 May 95

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[FBIS Translated Excerpt] Moscow, 4 May—The Federation Council rejected today the law on the general organizational principles of the bodies of state authority in the members of the Russian Federation, submitted for its consideration by the State Duma. Tremendous significance is attached to this law in the provinces. [passage omitted]

The Federation Council found some points in the document unacceptable because they contradict the Russian constitution and violate the principle of division of power between the center and the Federation members. [passage omitted]

Law on Black Sea Fleet Reduction Rejected

LD0405201195 Moscow INTERFAX in English 1740 GMT 4 May 95

[FBIS Transcribed Text] MOSCOW, May 4 (Interfax)—The Federation Council, the Russian parliament's upper house, rejected the law "On the Moratorium on Unilateral Reduction of the Black Sea Fleet" adopted by the State Duma (lower house) on April 7.

Only 28 deputies of the Federation Council voted in favor of the document, while a total of 90 votes is needed to pass a decision.

The Federation Council rejected the law following the recommendation of its security and defense committee. The committee chairman, Pyotr Shirshov, told the deputies that the law "ran counter to the international treaties and agreements concluded by Russia and Ukraine since 1992."

The law imposes a moratorium on the unilateral reduction of the Black Sea Fleet, including the coastal troops and aviation "until the Black Sea Fleet issue is settled by Russia and Ukraine."

Law on State Duma Elections Turned Down

LD0405121495 Moscow ITAR-TASS in English 1144 GMT 4 May 95

[By Lyudmila Yermakova]

[FBIS Transcribed Text] MOSCOW, May 4 (Itar-Tass)—The Federation Council today turned down the law on elections to the Lower House of the Russian parliament which had been earlier approved by the State Duma and forwarded to the Upper House for approval.

Only eleven Federation Council members voted in favour of the law after a heated debate about the ratio between the Duma members elected on the first-past-the-post basis and those who are elected on party tickets.

The Federation Council, which wants the ratio to be three to one, rejected the Duma's fifty-fifty arrangement.

Council Overrides Yeltsin's Veto on Banking Law

LD0405195495 Moscow INTERFAX in English 1844 GMT 4 May 95

[FBIS Transcribed Text] MOSCOW, May 4 (Interfax)—The Federation Council, Russia's upper house, on Thursday [4 May] overruled President Boris Yeltsin's veto on a law to compensate the population for Savings Bank deposits depreciated by inflation in the last few years.

The Council turned down the veto, previously overruled by the State Duma, the lower house, by 137 votes, from the necessary overruling minimum of 118.

Under the Constitution, Yeltsin must now sign the law within seven days and promulgate it.

The law, entitled "On the Restoration and Protection of the Savings of Citizens of the Russian Federation," applies to money deposited in the Savings Bank before June 20, 1991, and declares its value to be equivalent to its purchasing power as of the moment it was deposited. Namely, it is the cost of a fixed set of principal consumer goods and services supposed to ensure an individual's normal physical existence.

The law proclaims the money to be part of the national debt and rules that it be returned to the population in the form of special government bonds.

Duma's 'Amnesty Draft' on Chechnya Seen Flawed

MK0405130695 Moscow OBSHCHAYA GAZETA in Russian No.18/94 4-10 May 95 (Signed to press 3 May 95) p 8

[Report by Aleksandr Mnatsakanyan under the "Crux of the Matter" rubric: "Pardon Before Indictment"]

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[FBIS Translated Text] Last week the Duma planned to consider the draft "amnesty decree" for participants in the Chechen events. Thank God, it did not have time to do so. It is still not too late for it to recall what a war is and to think over what can be forgiven and what cannot.

This is an altogether remarkable draft. It was drawn up by a committee under deputy Viktor Mironov, including Stanislav Govorukhin and a number of other deputies.

First of all, the document draws a strange boundary for the conflict area, including the Republic of Dagestan, the Republic of Ingushetia, the Republic of North Ossetia, and the Chechen Republic. Therefore, what is afterward referred to as "the conflict area" apparently includes not only the sites of fighting and punitive expeditions by the Russian Army, but also the absolutely peaceful Makhachkala, Vladikavkaz, and other cities and villages.

There is an extremely wide range of people entitled to an amnesty—all Russian servicemen from Defense Ministry, Internal Affairs Ministry, and Border Troop units, and also levy-en-masse force members who have voluntarily given up the armed struggle. The amnesty applies only to citizens of the Russian Federation. This is clearly a trap: A member of an "unlawful armed formation" must first acknowledge himself to be a Russian citizen; then he must give himself up or come voluntarily to a relevant government authority, surrender his weapons (if any), and forswear further participation in combat operations.

But this is not all. The initial draft "amnesty decree" included limitations regarding the nature of crimes. The amnesty did not cover actions provided for in Articles 117 (rape), 125-1 (kidnapping), 126-1 (hostage taking), 144-146 (theft, burglary, robbery). But the limitations have disappeared from the version submitted to the State Duma for consideration. Only hardened criminals are not entitled to the amnesty.

Time limits are also noteworthy: The amnesty applies to crimes committed from 1 December 1994 to 20 May 1995 inclusive. First, these are unfathomable dates because the war started 11 December (technically) and will end God knows when (certainly not 20 May). Second, the State Duma will be discussing the draft decrees on 10 May and if, God forbid, it passes them, this will amount to an indulgence to commit any crimes for another 10 days.

Say, an OMON [Special Purpose Militia Detachment] company, a group of thugs, or simply touring gangsters from Uryupinsk rob a bank in Malgobek, terrorize its personnel, rape the secretaries, shoot the guards, and finally set the building on fire on 18 May. On 19 May they will voluntarily give themselves up, saying that the crimes were committed by citizens of the Russian Federation (that's okay), on Ingush territory (correct, too), none of the perpetrators was a hardened criminal (which is also in line with the spirit of the decree), and, moreover, the operation was carried out as a civil protest action. Hence, all of them are entitled to an amnesty.

This is an extreme case, of course. But there is a more realistic scenario. If at least one fighter "swallows the bait" of the promised amnesty and chooses to give himself up, nothing will stop servicemen from shooting him on the spot without registering his attempt to give himself up or his voluntary non-resistance—a murder will be amnestied.

But the most intriguing—not to say shocking—feature of both drafts is that its authors apart from Messrs. Mironov and Govorukhin also include the names of members of the "Sergey Kovalev group," deputies Valeriy Borshchov and Yuliy Rybakov. How did they, of all people, find themselves in such company?

State Duma Deputy Yuliy Rybakov:

"Yes, we favor an amnesty as a path toward a peaceful settlement. But we have no bearing on this horrendous draft. On Friday, 28 April, when I received it at the State Duma, I nearly felt sick. I asked Mr. Mironov at once why my name emerged among the drafters. He was embarrassed and said that this was a mistake. I (and, as far as I know, Valeriy Borshchov) have immediately filed a protest with the State Duma speaker. The discussion was postponed until 10 May."

[Mnatsakanyan] But do you think an amnesty necessary?

[Rybakov] Yes, but only for rank-and-file combatants. And with very serious exceptions. As for the initiators and commanders of this war, they should be dealt with by the courts.

Duma Nonproliferation Appeal to Parliaments, Peoples

MM0405151795 Moscow ROSSIYSKAYA GAZETA in Russian 4 May 95 First Edition p 3

[Unattributed report: "In the Federation Council [as published]: Precluding Nuclear War"]

[FBIS Translated Text] In connection with the 50th anniversary of the end of World War II the State Duma has adopted an Appeal to the Parliaments and Peoples of the World on Nuclear Weapons Nonproliferation.

Aware of the urgent need to reduce the risk of nuclear conflict, the State Duma proposes the following:

That the parties to the Nuclear Nonproliferation Treaty of 1 July 1968 extend the operation of this Treaty indefinitely. That the states which are not party to this Treaty accede to it immediately. That states which possess the equipment, information, and technologies to use nuclear power for peaceful purposes provide other states with the appropriate assistance for the peaceful use of nuclear energy.

That all UN member states do their utmost to help to increase the effectiveness of the International Atomic Energy Agency's activity.

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Senate Orders Action on Illegal Exports of Capital

MM0405154195 Moscow ROSSIYSKAYA GAZETA in Russian 4 May 95 First Edition p 9

[Decree No. 738-1 GD of the Russian Federation Federal Assembly State Duma "On Taking Measures To Protect the State's National Interests," dated Moscow, 21 April 1995 and signed by State Duma Chairman I. Rybkin]

[FBIS Translated Text] Mindful of the fact that the illegal exporting of capital from Russia is paralyzing the country's economy and is exclusively of a criminal nature, the Russian Federation Federal Assembly State Duma decrees:

1. It is acknowledged that the Russian Federation Government and law-enforcement organs have failed to ensure reliable protection for the state's interests against the unlawful actions of legal and physical persons connected with the exporting abroad of material valuables and capital.

2. The Russian Federation General Prosecutor's Office is instructed, in accordance with the requirements of criminal procedural legislation, to institute criminal proceedings without delay in respect of legally defined crimes provided for in Articles 162-6, 162-7, and 162-8 of the RSFSR Criminal Code, to conduct a preliminary investigation with regard to establishing the persons who have committed these crimes, and to take urgent measures to return the capital exported abroad, to recompense the state for the damage caused, and to call the guilty persons to account.

[Signed] I. Rybkin, chairman of the Russian Federation Federal Assembly State Duma. 21 April 1995.

Finance Ministry Performance Criticized

LD0405132495 Moscow ITAR-TASS in English 1256 GMT 4 May 95

[By Gennadiy Yezhov, Andrey Serov]

[FBIS Transcribed Text] MOSCOW, May 4 (Itar-Tass)—Viktor Chernomyrdin criticised today the performance of the Ministry of Finance.

Speaking at today's session of the Government, which discussed the fulfilment of the budget in the first quarter of 1995, the Prime Minister stressed that there was no system of financial control in the country. He demanded that all the ministers should unswervingly stick to the budget in their activities.

The critical speech of Chernomyrdin came after a report of Finance Minister Vladimir Panskov, who said that tax revenues to the budget amounted only to 90 per cent of what was expected. The missing sum is two trillion roubles.

The Finance Minister described the situation with the revenues, coming from privatization, as catastrophic. He said that only 50 billion roubles had been received in the first quarter from the sale of state property, while it is expected to receive 8.8 trillion roubles in 1995.

At the same time, judging by the results of the first quarter, the revenues to the state budget of Russia amounted for the first time ever to 103.3 per cent, i.e. exceeded the planned target. However, this is the result of the factors that are of a "one-time character", specifically, of the changing of the rouble exchange rate after a loan of the International Monetary Fund was received by Russia.

The situation looks more favourable in a press release of the Ministry of Finance and the Central Bank, on the basis of the results of the first quarter. They point out that the budget was fulfilled in conditions of a relative improvement of the main macroeconomic indices. The reduction of the gross domestic product slowed down (the figure for January-March was 5 per cent, as against 17 per cent in the first quarter of 1994). Industrial output was reduced by 4.5 per cent as against 23 per cent in the first quarter of 1994.

Inflation began to go down in January, the press release said. In January the summary index of consumer prices was 17.8 per cent, while in February the figure was 11 per cent, in March—8.9 per cent, and in April the figure is expected to be about 8 per cent.

"The implementation of a tough monetary and credit policy since the beginning of 1995 is creating conditions for a further substantial reduction of the inflation rate in the forthcoming months," the Finance Ministry and the Central Bank believe.

On the whole, revenues to the federal budget amounted to 32.1 trillion roubles in the first quarter of 1995. Budget spendings amounted to 39.7 trillion roubles. Budget deficit stood at 7.6 trillion roubles, or 3.3 per cent of the gross domestic product, while the planned level of budget deficit for 1995 is 5 per cent of the gross domestic product.

Program on President's Annual Message to Assembly Approved

LD0405184395 Moscow INTERFAX in English 1508 GMT 4 May 95

[FBIS Transcribed Text] MOSCOW, May 4 (Interfax)—At a regular session Thursday the Russian government approved on the whole a comprehensive program of implementing the annual message of the president to the Federal Assembly and a program of deepening reforms till the end of 1997. The finalized document will be approved by a special cabinet resolution within a period of 10 days.

In keeping with the comprehensive plan in December the government must work out the final version of the tax code to be submitted to the Duma for approval.

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In June a presidential decree must be drafted on improving tax collection which is to be submitted to the head of state in July.

Under the plan the 1996 federal budget law must be drafted in August and after government approval tabled to the Duma. Besides, during the next few months the government is to draft and approve a program of stimulating domestic and foreign investments in the Russian economy, a resolution on consumers' credits and a law on concession agreements with foreign investors.

Details on Edict on Elections of President

LD0405135895 Moscow INTERFAX in English 1337 GMT 4 May 95

[FBIS Transcribed Text] MOSCOW, May 4 (Interfax)—The Federation Council approved the Decree on Elections of President of the Russian Federation adopted by the State Duma on April 21. As many as 111 deputies voted to this decree, 9—against, and 8 abstained (as many as 90 votes were needed to adopt this decree).

At its previous plenary siting the Federation Council declined this decree as it disagreed with some of its provisions. Now, after the conciliatory commission revised this decree, the deputies adopted it within five minutes.

The decree will be forwarded to the Russian president for signing and will go into effect after its publication.

In accordance with the decree, any citizen of the Russian Federation, not younger than 35 years old who permanently lives in the Russian Federation not less than 10 years, can be elected to the post of the Russian president.

In accordance with the Constitution the Federation Council appoints elections of the Russian president.

The first Sunday, after the constitutional term for which the Russian president was elected expires, is the day of elections. Elections should be appointed not less than four months before the day of the elections. If the Federation Council fails to appoint the presidential elections in time they will be held by the Central election commission of the Russian Federation on the first Sunday of the month following the month when the presidential authorities expire.

Electors, electoral associations and electoral blocs have the right to propose their candidates to the post of the Russian president.

The election campaign connected with preparation and with elections of the Russian president are financed from the federal budget. Candidates to the presidency create their own election funds to finance pre-election campaign.

Any election association, election bloc, or initiative group of electors who nominate their candidate to the post of the Russian president should collect not less than one million signatures of electors in his support. There should be not more than 7

of the necessary total number of signatures in one constituent member of the Russian Federation.

From the day of his registration the candidate to the post of the Russian president, who is on a state or municipal service or who works in mass media, is released of his duties and has no right to take advantages of his official post. The Russian president who runs for the second term continues fulfilling his duties.

The candidate to the presidency creates his own election fund to finance the pre-election campaign. The assets of the election fund should be kept on a special temporary account in a branch of Russia's Sberbank. The candidate who creates this fund enjoys the exclusive right to manage the money of this fund.

Voluntary donations of individuals to the election fund cannot exceed the minimum wage by more than 50 times. Voluntary donations of legal entities cannot exceed the minimum wage by more than 5000 times. The candidate's maximum expenditures cannot exceed the minimum wage by more than 250,000 times. The minimum wage is determined as of the day of the appointed elections.

Foreign states, organizations, and citizens, people without citizenship, Russian legal entities with foreign participation, if the share of foreign capital in their registered capital exceeds 30 percent, international organizations and international public movements, self-rule bodies, state and municipal enterprises, departments, organizations, military units, military organizations, charitable organizations and religious associations are not permitted to make donations to the election funds.

'Women of Russia' To Act as Independent Duma Faction

LD0405123895 Moscow ITAR-TASS in English 1159 GMT 4 May 95

[By Lyudmila Alexandrova]

[FBIS Transcribed Text] MOSCOW, May 4 (Itar-Tass)—Representatives of the political movement "Women of Russia" intend to act at the next elections independently, without joining any blocs, since they are confident that their faction should exist in the State Duma separately and express a joint point of view of the majority of women.

The "Women of Russia" movement was set up in October 1993 by three women's organisations - "The Union of Russia's movement", the "Union of women of the Navy" and the "Association of women - Russia's entrepreneurs." During elections in December 1993 "the Women of Russia" won 21 seats in parliament and formed their own parliamentary faction.

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One of the leaders of the movement, Valentina Fedulova, said today that the aims of the organisation remain invariable - to equalize the balance in politics between men and women, to ensure fair representation of women in legislative and executive bodies - no less than 30 per cent." We orientate ourselves to Scandinavian countries," Fedulova stressed. Meanwhile, the "Women of Russia" positively assess the results of their parliamentary activities. They believe that they work constructively without much ado and have won the support of many colleagues from other factions. According to representatives of the "Women of Russia" faction, their attitude to the creation of two major election blocs led by Viktor Chernomyrdin and Ivan Rybkin is positive. However, they do not want to participate in these blocs. "We are interested in educated and conscientious people to be elected to the Duma, we are not against the election blocs, but we are not going to join them," Fedulova said. Yekaterina Lakhova believes that such blocks "will use women as decorative elements."

The "Women of Russia" are optimistic about their chances at the forthcoming elections. Fedulova told Itar-Tass that as a result of various surveys the "Women of Russia are expected to win 8-18 per cent of votes. But the leaders of the movement have a "more balanced approach to such forecasts". Nevertheless, all surveys show that the "Women of Russia" will get the necessary 5 per cent of votes needed to be elected.

Regional Affairs

Further Reportage on Situation in Chechnya

Russians Reported Using Cluster Bombs

AU0405125095 Paris AFP in English 1135 GMT 4 May 95

[By Catherine Triomphe]

[FBIS Transcribed Excerpt] Moscow, May 4 (AFP)—Fierce artillery duels between Russian troops and Chechen separatists rocked the Chechen capital Groznyy on Thursday, only days before Moscow plays host to a slew of world leaders to commemorate Victory in Europe Day. [passage omitted]

According to official Russian figures, nine Russian soldiers have been killed since April 28 and 33 wounded. Russian officials accuse the Chechen fighters of using weapons banned by international conventions. But AFP journalists in Chechnya have witnessed the Russians using cluster bombs and bombs which scatter darts on impact, both of which are prohibited.

Heavy fighting has continued in the breakaway Caucasus republic despite Yeltsin's unilateral moratorium. [passage omitted]

The separatists have kept up stubborn resistance across a wide front and are still holding out in the village of Bamut, their last stronghold in the west of the republic, the target of daily blasts by intensive Russian artillery fire.

They are also holding onto positions a few kilometres (miles) from Gudermes and Shali, the two largest towns in the east, and are present in villages south of Groznyy.

The mountains in southern Chechnya are also largely beyond Moscow's control.

Dudayev Cease-Fire Violations Reported

MM0405132895 Moscow KRASNAYA ZVEZDA in Russian 4 May 95 p 4

[Report by Sergey Knyazkov: "Despite the Moratorium, Shots Still Being Fired in Chechnya"]

[FBIS Translated Text] As you know, on 26 April 1995 the Russian president signed Edict No. 417 "On Additional Measures To Normalize the Situation in the Chechen Republic." It says that with a view to stabilizing the sociopolitical situation in the Chechen Republic and creating additional conditions for the peaceful political settlement of the crisis, mindful of the appeal made to the Russian president and Government by the Chechen Government of National Revival, and supporting the decision adopted 21 April 1995 in Groznyy by the conference of representative of federal organs of power, the provisional combined forces, armed formations on the territory of Chechnya, rayons, cities, and population centers, religious denominations, and elders of the Chechen Republic, and also displaying goodwill in connection with the celebration of the 50th anniversary of the Victory in the Great Patriotic War, a moratorium is declared on the use of armed force in Chechnya from 0000 hours 28 April to 0000 hours 12 May 1995. Preliminary investigation organs are also advised not to institute criminal proceedings against people not involved in serious crimes against citizens' lives and health who have voluntarily laid down their arms until 12 May 1995.

Commenting on this edict 28 April during a meeting with journalists, Colonel General Leontiy Shevtsov, first deputy chief of the Russian Armed Forces General Staff Main Operational Directorate, stressed that the troops were ordered to remain at their posts and be ready to use arms in the event of an attack or guerrilla bombardment. Alert-duty aviation and artillery are constantly ready to use weapons.

Regrettably, the past few days have shown that the preventive measures taken by the troops were justified. The guerrillas consider the Russian presidential edict a political act that has nothing to do with any real intentions of normalizing the situation. Dudayev's men are not observing the terms of the moratorium. They are using it to move their detachments and are committing acts of sabotage against the combined group of federal forces. Thus, guerrillas downed a Defense Ministry helicopter with an antiaircraft machinegun 30 April near the population center of Gilyany. It made a forced landing in

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Dagestan. The crew were not injured. Moreover, federal and internal troop positions and commndant offices in various parts of Chechnya and Groznyy itself have come under fire. According to Lieutenant Colonel Vasiliy Panchenkov, deputy chief of the Internal Troops Press Office, since 27 April three internal troops have died and 17 servicemen have been injured.

Soskovets on Cease-Fire Violations

LD0405203095 Moscow INTERFAX in English 1841 GMT 4 May 95

[FBIS Transcribed Text] MOSCOW, May 4 (Interfax)—Russian First Deputy Prime Minister Oleg Soskovets has accused Chechen separatists of continued ceasefire violations.

In a speech to the meeting of the state commission for postwar reconstruction of Chechnya, he warned against any appointment of disloyal Chechens to key government posts because they would obstruct any normalization there.

Soskovets stressed the need for launching a propaganda campaign in support of the federal government in the region. The government committee for the press is instructed to send whatever printing equipment is necessary to Groznyy by May 7.

For his part, First Deputy Head of the State Commission Petr Surov pointed to the growing prestige of Salambek Khadzhiev, the head of the national reconciliation government, who went on fact- finding missions to different parts of Chechnya.

He said life was returning to normal in Groznyy with 39 schools being reopened, bread production reaching 60 tonnes daily and two- thirds of the city cleared of debris.

Surov also announced that regular flights between Groznyy and Moscow would start on May 28. Half the local airport has now been repaired and it will be recommissioned in June.

Soskovets on Chechen Government

LD0405174495 Moscow ITAR-TASS in English 1720 GMT 4 May 95

[By Oleg Velichko]

[FBIS Transcribed Text] MOSCOW, May 4 (Itar-Tass)—The Chechen government of national revival has been formed completely, Russian first vice-premier Oleg Soskovets said on Thursday.

Speaking to reporters after a sitting of the state Commission in charge of Chechnya's restoration, Soskovets admitted that "the setting up of a new Chechen government faces a lot of difficulties". Some people "unloyal to the federal government" have managed to become its members, he noted.

Soskovets said that "a dialogue to restore peace in Chechnya" must be continued and blamed Dzhokhar Dudayev's fighters for violations of the presidential moratorium on combat actions there.

70 Chechen Rebel Attacks Alleged

LD0505100895 Moscow ITAR-TASS in English 0938 GMT 5 May 95

[By Sergey Ostanin]

[FBIS Transcribed Text] GROZNYY May 5 (Itar-Tass)—Chechen rebels have attacked Russian troops 70 times during seven days since President Boris Yeltsin introduced a moratorium on the fighting from April 28.

On Thursday six such attacks were reported, one soldier was killed and another wounded, according to a spokesman of the Russian Defence Ministry forces in Chechnya.

"70 cases of provocational firing at places of dislocation of Russian federal forces, including 27 units of the Army, were registered. Some 20 Army servicemen were hurt", the spokesman told Tass Friday referring only to Army soldiers and without specifying whether they were killed or wounded. Russian forces in the rebel republic include Interior and Army troops.

The spokesman added that on Thursday positions of a motorised rifle brigade and of a special task Interior brigade came under heavy fire from small arms. He said that Chechen militants mostly target commandants' offices, checkpoints and patrol teams.

Avturkhanov Views Talks With Rebels

LD0405141095 Moscow Radiostantsiya Ekho Moskvy in Russian 1200 GMT 4 May 95

[FBIS Translated Excerpt] According to a report by a Defense Ministry spokesman in Groznyy, the Chechen formations are continuing to violate the moratorium on military actions. He said that during the past 24 hours, the positions of the federal troops have come under fire ten times in various parts of Chechnya. As a result of the attacks, 15 servicemen have been injured. He said there were no major clashes between the federal troops and Chechen formations overnight. [passage omitted]

Umar Avturkhanov, chairman of the National Accord Committee of the Chechen Republic, does not believe that the talks with Dzhokhar Dudayev's representatives will yield any practical results:

[Begin Avturkhanov recording] The field commanders know very well that their orders would make no difference. At any one time, their actions would depend (?solely) on politics. It all depends on Moscow. And today if there is any violation of the cease-fire, who will be made responsible? They can demand from us, since we have provided them with guarantees. Therefore, if they do hold talks, it is in order to score politically: we

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are holding talks, as it were, our views are being considered. By holding the talks, they are trying to prove to all the fighters that they are still strong and can win because they are being considered and feared. That is their reason for holding talks. Achieving results is not the aim of the field commanders. But obviously the command must have their own reasons. [end recording]

Baltic Marine Battalion Replaced

LD0405205795 Moscow ITAR-TASS World Service in Russian 1055 GMT 4 May 95

[By ITAR-TASS special correspondent Sergey Ostanin]

[FBIS Translated Text] Groznyy, 4 May—A marine battalion of the Baltic Navy arrived from Chechnya today at its permanent deployment base. Captain First Rank Aleksandr Veledeyev, head of the press center of the Russian Navy, who informed ITAR-TASS about this, also said that the replacement of marines had been fully completed.

The 106th Composite Regiment, which is stationed in southern Chechnya, now has fresh units consisting of marines of the Pacific, Northern, and Baltic Navy. Prior to their arrival in Chechnya, they underwent lengthy special training. Veledeyev said that the marines would serve mainly along the line that seals off illegal armed formations in order to prevent militants from getting through to areas controlled by the federal troops.

Airborne Troops Leave for Tula

LD0505121195 Moscow ITAR-TASS World Service in Russian 0230 GMT 5 May 95

[By ITAR-TASS correspondent Valeriy Rudenko]

[FBIS Translated Text] Tula, 5 May—The first train carrying men and equipment of the guards' airborne division today returned them to their permanent base in Tula from Chechnya. The men had been in the combat area since the end of last November.

More than half of the troops, warrant officers and officers of the airborne assault force, were decorated with battle orders and medals and many were recommended for awards for courage and heroism shown during the restoration of constitutional order in this north Caucasian republic.

Internal Troops Accused of Murder

MK0505091695 Moscow SEGODNYA in Russian 5 May 95 p 1

[Report by Dmitriy Volkov from Groznyy in the "Version" column: "Beslan Gantemirov: The Russian Army Is Deliberately Dragging Out the War""]

[FBIS Translated Text] Beslan Gantemirov, who resigned a few days ago as chairman of the Groznyy City Council, sent an appeal to President Yeltsin saying that the war in Chechnya "is being artificially dragged out," and charging the Russian Army with "looting, plunder, marauding, and murder of peaceful civilians." This, however, refers only to the internal troops, while "there are no problems with the Defense Ministry."

Salambek Khadzhiyev, Moscow-appointed chairman of the Chechen government, told SEGODNYA that "this appeal contains some serious mistakes," but admitted that the republic's authorities do have "problems with people who get into law enforcement bodies without proper screening." He said that as of now the prosecutor's office has opened 172 cases against Russian military servicemen, 15 of which "carry the death penalty."

The military stationed in Groznyy and its environs maintain that virtually every night their posts are attacked by Dudayev gunmen.

Gantemirov said yesterday that there are no gunmen in Groznyy, while city residents suspect Russian soldiers of firing into the air, aggravating the situation. Khadzhiyev did not confirm that there are no gunmen in Groznyy but stated that their number "is substantially less than suggested by the federal troops command."

Be that as it may, artillery fire is often heard in Groznyy at night.

Commander on MVD Operations

MK0405124095 Moscow SEGODNYA in Russian 4 May 95 p 6

[Report by Leonid Kostrov: "A New Enemy of the Internal Troops: the 'Chechen Syndrome'"]

[FBIS Translated Text] The problems of the socio-psychological rehabilitation of enlisted men, commissioned officers, and warrant officers of the Russian Federation Ministry of Internal Affairs [MVD] Internal Troops doing their service in Chechnya are impossible to resolve with the current meager levels of financing, says Lt. Gen. Stanislav Kavun, deputy Internal Troops commander. Summing up the results of the 28 April Military Council session, the general said that virtually throughout the conflict both military and civilian psychiatrists have been working in the zone of hostilities. They have made a fairly extensive analysis of the morale and psychological condition of those military servicemen who have taken part in the Chechen events. The Internal Troops contingent in Chechnya includes 15,000 men; during the conflict 178 servicemen have been killed, and 966 wounded. It is noteworthy that in the 1988-1994 period the Internal Troops lost 69 men.

The general believes that a considerable role in the incidence of the so-called "Chechen syndrome" among the servicemen was played by the psychological background created around the conflict by the mass media. The Internal Troops, which have operated in many "hot spots" of the former USSR, have been confronted with such a situation for the first time. Stanislav Kavun noted

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that "it is extremely difficult to perform one's duties if amid a mass of groundless accusations one begins to feel a murderer."

The absence of any substantial social protection for servicemen or their families also makes its contribution to the development of the "syndrome." Take, for instance, the travel allowance: Before 1 March it was 10,000 [rubles] per day and after 1 March, 30,000. Compensation for injuries, let alone the death of servicemen, is negligible. For instance, in the event of the death of an enlisted man or a sergeant doing his compulsory stint, the family of the dead person gets an aggregate compensation of 22 times the minimum wage. Now the Internal Troops command is trying to provide apartments to the families of all officers who were killed in Chechnya. But when will officers wounded in the course of the conflict receive their housing?

It is reassuring that local administrations are rendering some assistance. The administrations of Nizhniy Novgorod, Angarsk, and Syktyvkar have managed to provide those who returned from Chechnya with free accommodation at holiday centers. The Military Council session decided to look for ways to make sure that not only an officer but also his wife would get a free voucher to a sanitarium. But this is a drop in the ocean. A carefully devised and well financed program for the rehabilitation of servicemen coming from Chechnya is needed. Otherwise the "syndrome" will develop further, causing more serious problems. General Kavun believes that many "Afghans" have been ruined by "I could not care less" attitudes, and now the "Chechens" will also be ruined.

In an anonymous survey conducted in Chechnya, 51 percent of officers and 42 percent of enlisted men and sergeants spoke in favor of pulling out the troops. As for the reports of marauding among Internal Troops servicemen, General Kavun said they do not correspond to reality. According to him, three criminal cases have been opened over instances of looting and theft. The general observed that military servicemen arriving in Chechnya drink less liquor than in areas of their permanent location. The general refused to respond to a question from SEGODNYA's correspondent about the percentage of Internal Troops losses caused by army artillery and aviation.

Stanislav Kavun said that as of now the Internal Troops are at 75 percent staffing. The general denied rumors that the Internal Troops are being equipped with heavy armor and artillery. According to him, at present there are four light PT76 tanks, no artillery whatsoever, and 82 mortars. The troops have 49 percent of the required number of armored personnel carriers and armored infantry vehicles. As for Internal Troops transport aviation, if the whole of it is employed at the same time, "this will only be enough to airlift one regiment from point A to point B." According to the general, rumors that the Internal Troops are being beefed up to counterbalance the army benefit those who seek to drive a wedge between the two departments. On the other hand, Stanislav Kavun noted that if the state really wants the army not to be used in operations on Russia's territory, the Internal Troops should be provided with heavy equipment and aviation.

Arrears in Wages, Pensions Paid

LD0505103895 Moscow ITAR-TASS in English 1012 GMT 5 May 95

[By Oleg Velichko]

[FBIS Transcribed Text] MOSCOW, May 5 (Itar-Tass)—Over four billion roubles in arrears in wages and 17.4 billion roubles in arrears in pensions were paid out in the Chechen Republic. In addition, 380 million roubles was transferred to veterans in connection with the Victory day, Yuriy Mikhailov, chief of the information group of the State commission for the restoration of the economy and social sphere, said in an interview with Itar-Tass on Friday.

Life is gradually coming back to normal in Groznyy and in many other populated localities in Chechnya. About 80 per cent of the Chechen territory is now under control of the federal forces. As the Dudayev militants are crowded out, devastated housing is being restored, building materials, food products and many other things are delivered.

Railway traffic was restored on the routes of Groznyy-Makhachkala and Groznyy-Mineralnyye Vody, says a report of the Russian Ministry of Railways. Railway workers promised the run of the first train on Groznyy-Moscow route by the Victory day. Direct flights from Groznyy to Moscow will be resumed by late May, said Petr Surov, first deputy chairman of the State commission. Air services are operated between Groznyy and Rostov-on-Don.

The supply of the Chechen population with bread has been ensured. As much as 163 tonnes of bread is daily baked in Chechnya, including 63 tonnes of bread in Groznyy. The problem of water supply has also been resolved. There is 50 litres of water a day for every resident. Over 80 per cent of the Chechen territory is supplied with gas. Sixty per cent of the area of Groznyy has been cleared of debris.

Dudayev Attempt To Thwart Moratorium Viewed

MM0505115795 Moscow ROSSIYSKIYE VESTI in Russian 5 May 95 p 1

[Article by Emil Pain: "North Caucasus Treating Chechnya With Mounting Alienation"]

[FBIS Translated Text] The Dudayev supporters' attempts to thwart the moratorium on fighting in Chechnya announced by the federal authorities will build up to 9 May and there can be no doubt of that. Why? The Dudayev supporters' hopes of acquiring allies

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in the North Caucasus have been utterly unjustified. Except for some support from the Ingush the remaining population of the North Caucasus is treating Chechnya with mounting alienation. This is caused by certain shifts as a result of fighting: the growth in the flow of refugees, the wave of cash currency released by Chechnya into many regions surrounding it. Prices have thus spiraled for housing, necessities, and food.

Military victory was never feasible in principle for Dudayev and recently it has become utterly implausible. Consequently he has only two means of influencing Russia's federal authorities. That is the growth of the guerrilla movement and indirect influence through Western public opinion, which could put pressure on its governments which could in turn abandon the trip to the celebration of the 50th anniversary of the victory over fascism, which could have a certain unpleasant political impact.

It is these tasks which Dudayev will implement—provoking armed clashes and seeking to show the West that Moscow allegedly cannot resolve the Chechen problem by peaceful means.

Ingush Officials Say Refugee Situation 'Critical'

LD0405202395 Moscow ITAR-TASS in English 1847 GMT 4 May 95

[FBIS Transcribed Text] NAZRAN, May 4 (Itar-Tass)—Leaders of Ingushetia see as critical the situation with refugee return to the Prigorodny district of North Ossetia.

The situation had been reviewed today at a meeting of the Ingush president's Security Council in Nazran today.

The meeting was attended by Vladimir Lozovoy, chairman of the Russian provisional state committee for liquidation of consequences of the Ossetian-Ingush conflict.

The meeting was told that some 30 refugees who were returning to the Prigorodny district recently were stoned by a crowd in the presence of police.

North Ossetia Working To Implement Refugee Return

LD0405200495 Moscow ITAR-TASS in English 1847 GMT 4 May 95

[By Valeriy Shanayev]

[FBIS Transcribed Text] VLADIKAVKAZ, May 4 (Itar-Tass)—Forces which set out to mar the WWII victory celebrations in the Ossetian-Ingush conflict area will be prevented from that, North Ossetia's Prime Minister Yuriy Biragov said in an interview with Itar-Tass today. The situation is complex but controllable in the conflict area, Biragov said.

The North Ossetian leadership is doing everything to implement the decrees on refugee return issued by the Russian president and the government.

Yeltsin's earlier decree ordered that conditions be provided for return of some 600 Ossetian and Ingush families to residential areas of North Ossetia's Prigorodny district. By now 349 families have came back to their homes.

Biragov said measures had been taken to prevent Dudayev's fighters and recruiting emissaries from penetrating into the conflict area.

Tatarstan Premier on First 100 Days

954F2210B Kazan IZVESTIYA TATARSTANA in Russian 29 Apr 95 p 1

[Article by Shamil Idiatullin, IZVESTIYA TATARSTANA: "A Regime of Fine-Tuning"]

[FBIS Translated Text] Republic of Tatarstan Prime Minister Farid Mukhametshin held a press conference Thursday in Kazan dedicated to pressing problems of the republic's economy. The official reason for the prime minister's meeting with journalists was the completion of the first 100 days of F. Mukhametshin's tenure in office.

Information from the IZVESTIYA TATARSTANA file: During F. Mukhametshin's first 100 days in office, 270 directives and more than 190 (!) decrees of the Cabinet of Ministers were drawn up and adopted, including 15 on matters dealing with industry, about 30 on agriculture, and more than 20 on construction. Work is nearing completion with respect to documents on the structure of organs of executive authority and government. Twenty-four letters were sent to the Russian Government, including letters dedicated to YelAZ [Yelabuga Motor Vehicle Plant], KamAZ [Kamskiy Motor Vehicle Plant], and the Kazan Young People's Theater.

The first steps taken by the prime minister were not limited to complete replacement of the team, F. Mukhametshin noted. Nonetheless, replacement will take place—gently, in an evolutionary manner. The basic concept being followed here is that of elevating the rank of certain ministers to the level of deputy prime minister, in order to enhance their responsibility, without increasing the number of deputy prime ministers. But generally speaking, all documents of this type are aimed at reducing the bureaucratic apparatus, which has grown to incredible proportions at every level—from governmental to rayon.

The main objectives of construction have been determined. A portion of the package of documents has already been published. In the next few days a decree will be signed dealing with attraction of the assets of republic citizens for housing construction—under state guarantees (the delay in signing is due entirely to a study of the very limited experience of Russian Federation regions).

During the first 100 days, I undertook very serious efforts to fine-tune our mutual relations with the federal ministries and departments—so as to be able to work

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together on a personal basis in the future, Farid Khayrullovich stated. Certain positive results of this effort are at hand: Debt repayment to enterprises of the military-industrial complex has begun, and an agreement in principle has been achieved on the establishment in Tatarstan of a branch of the company Rosvooruzheniye. This would simplify the procedure for introducing our special production output on the foreign market.

The problem that worries us most today is the ability to pay wages-primarily to employees in the military-industrial complex and agro-industrial workers (IZVESTIYA TATARSTANA readers are aware of the steps taken in this direction by the Cabinet of Ministers and their justification). There is some confidence that the debts of Moscow clients to our defense industry will be paid off in the course of two months—the State Duma has provided 2.2 trillion rubles for precisely this purpose, and many of our enterprises fall under the applicable listing of the Ministry of Defense.

The prime minister expressed his support for the accumulation of all financial flows in the republic Ministry of Finance, which will enable us to effect more thrifty and efficient use of every ruble earned in Tatarstan. The pilfering of these funds among banks, albeit authorized banks, does not facilitate such use. This major effort will be finalized in next year's draft budget.

Responding to journalists' questions, F. Mukhametshin noted that work on the program for economic and social progress in the Tatarstan Republic is today approximately halfway complete. At the request of First Deputy Prime Minister R. Muratov, the prime minister himself assumed responsibility for running this program. F. Mukhametshin stated that the first steps towards implementation of this program would be indicated in May. The program is also designed to reduce the time frame for emergence from depression, where Tatarstan finds itself on a par with Russia (although Russia does not share our particular experience).

From all appearances, May will mark the beginning of major innovations. On 12 May, a special session of the Cabinet of Ministers will finalize all the arrangements regarding construction of the oil refining plant in Nizhnekamsk. Investors, lines of credit, and equipment suppliers will be determined, and we will finally be able to state with confidence that construction of this plant has begun. We will determine the prospects for each sector and each enterprise in similar fashion.

We will not be able to manage many of our promising projects without foreign investments. YelAZ, for example, is a model of the nonstate approach of federal government statesmen. Some $2.2 billion has been invested in this facility—and is frozen. This is 70 percent of the required amount. But how many years has it been now, and we still have not been able to resolve the question of the remaining 30 percent.

Today the efforts of the Tatarstan Republic Cabinet of Ministers have been crowned with a certain success—YelAZ has been included within the federal program and an appropriate decree of the Russian Federation Council of Ministers is being drawn up (General Motors, the partner firm selected for construction of a plant which will produce 50,000 jeeps a year, will not provide investments until there are guarantees on the part of the Russian Government) which should be ready after the holidays.

Tatarstan Considers Free Economic Zones

954F2210A Kazan IZVESTIYA TATARSTANA in Russian 28 Apr 95 p 1

[Unattributed report: "Off-Shore Zone in Tatarstan?"]

[FBIS Translated Text] A special, expanded session of the Scientific Advisory Council of the republic Ministry for Foreign Economic Relations was convened 25 April at the ministry. The session was dedicated to the problem of creating free economic, customs, and off-shore zones in Tatarstan.

A broad spectrum of issues was discussed, beginning with possible forms of free economic zones and proceeding to examination of their most efficient location, system of state regulation, and reciprocal relations with the federal organs of authority.

The most realistic and thoroughly studied projects for the establishment of free economic zones in the republic are the Logistics Center (international transshipment base on the outskirts of Kazan) and point customs locations at the main transportation terminals (the port, railroad switchyards).

In order to conceptually resolve matters of the advisability of creating free economic zones in the republic, it was proposed that a working group of specialists be formed to prepare the necessary materials enabling the republic government to make a definitive, well-founded decision on the question of free economic zones.

New Tatarstan Political Organization

954F2210C Kazan IZVESTIYA TATARSTANA in Russian 29 Apr 95 p 1

[Article by Galina Grigorenko, IZVESTIYA TATARSTANA: "The Opposition Is Not Dozing"]

[FBIS Translated Text] The constituent conference of a new social organization—People's Soviets of the Tatarstan Republic—was convened yesterday in Kazan.

After the relative calm that issued from the state of shock following generalization of the results of the March election campaign, an obvious reanimation has been noted in the ranks of the political opposition. Judging from the mood of the 50 conference participants, among whom were representatives of the Communist Party, local division of the Social-Democratic Party of Russia, Tatarstan Social Center, Equality and Legality, and Accord, many political organizations no longer see any

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sense in engaging in parliamentary dialogue with the authorities. In the opinion of local party representatives, only the establishment of an alternative parliament will help preserve the republic opposition and show the electorate who in fact is capable of representing their interests in worthy fashion.

The charter of People's Soviets of the Tatarstan Republic, the primary document of the new social organization, states that it unites citizens who ran as candidates for people's deputy during the 5 March 1995 elections. It also defines the main objectives of "the people's parliament"—laying the groundwork for the establishment in Tatarstan of sovereignty of the people and a civic society, development of popular initiative in the formulation of administrative decisions on state, economic, and sociocultural structuring, analysis of the political situation in the republic, formation of a personnel reserve, and even the admission of citizens. It is the intention of the People's Soviets of the Tatarstan Republic to bring their decisions to the attention of the executive authority.

According to preliminary decisions, the highest organ of the new political alliance will be the People's Supreme Soviet, which will coordinate the activity of "local people's soviets." It is proposed to have a speaker, speaker's deputies, a presidium, and other operating organs.

The first session of the "People's Soviets" has not yet taken place. Apparently it will be convened the end of May. Prior to this time, organizational committee members are planning to register the newly established organization with the Tatarstan Republic Ministry of Justice.

One may view the coming "dual authority" in the republic in various ways, of course—seriously, ironically, or indifferently. All the same, we should recognize as obvious the fact that the opposition—pushed out into the street and declaring itself uncompromising—is not a most welcome gift for the authorities, who have always taken pride in the political stability of their republic.

Sverdlovsk Leader on Oblast Development

954F2191A Yekaterinburg OBLASTNAYA GAZETA in Russian 24 Mar 95 pp 1-2

[Account of report of A. Strakhov, head of the Administration of Sverdlovsk Oblast, at 14th session of the oblast Duma on 22 March 1995: "Sverdlovsk Oblast: Preservation and Development of Socioeconomic Potential (the Oblast's Internal and External Position)"]

[FBIS Translated Text] Esteemed Deputies!

In accordance with the Sverdlovsk Oblast Charter (Chapter V, Article 46; and also Articles 2 and 4 of the Transitional Provisions), the head of the Administration of Sverdlovsk Oblast presents to the oblast Duma annually a report on the internal and external position of the oblast. Respecting the provision of the charter and aspiring to openness and responsibility in the activity of the executive, the administration intends in the annual report to publicly formulate the goals of our policy and to identify the directions and means of its realization.

Among the most fundamental points for us to determine both today and in the future the content of the work of the oblast's executive are:

an understanding of constitutional development not as a self-sufficing goal but as a condition for the development of society and the citizen. A recognition jointly with society and the citizens of statehood not only as institutions of power but primarily as the political organization of all citizens and their joint property and common cause is important for us in this context;

the rational combination of decisive actions for the implementation of reforms and their systemic realization, balance, gradualness, and evolutionary character;

an enhancement of the role of the oblast as a component of the Russian Federation.

The main thing today is the need for the concordance and harmonization of the interests of the federal center, our region, and the individual citizen, not their counterpoise or rupture. The regulators of this interaction are first and foremost the principles of federalism and local government. The region will not be strong without integration in the federative system. We intend to actively influence the content of all law-making instruments devised in this sphere and to take all the necessary organizational and political steps in this direction.

Our strategic goal is to make Sverdlovsk Oblast a flourishing region of the Russian Federation, where power is based on the law and does not oppress the citizen and where an efficient economy combines regional singularities and world achievements.

Realization of this goal is possible in a formula of the constitution—Russia is a democratic federative social state based on the rule of law, and Sverdlovsk Oblast is a component of it.

Within the framework of this formula the government of the oblast will endeavor to achieve:

a strengthening of state institutions and normal interaction between them;

the creation of the efficient interaction of institutions of the state and society;

the optimum model of the state's participation in economic processes;

the creation of operating mechanisms of the assurance and defense of the rights and liberties of each citizen;

the assurance for the region of a worthy place in the community of equal components of the Russian Federation.

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The creation of favorable external conditions for the development of the oblast is in our common interests. It is essential to seek this by a proper friendly, but at the same time firm and competent, foreign economic policy, in which the aspiration to cooperation does not come into conflict with national and regional interests and the Urals people's feeling of civic dignity.

Such appear to us to be the fundamental positions and most important, socially significant goals. But the realization even of concerted goals depends on the efficacy of state institutions and their capacity for finding timely and correct answers to the most serious questions of the development of the oblast within the framework of the current system of law.

Essential for this are:

an appreciable transformation of the practice of constitutional development and unswerving observance of the laws and constitutional provisions and ethical standards;

an enhancement of the quality and efficiency of law-making activity;

the realization of constitutional provisions primarily in the sphere of defense of the rights and liberties of the citizens and the principles of federative relations.

In the report that has been presented to you we attempt to make an objective assessment of the development of the region in 1994 and to identify the main problems of 1995 and certain paths of their solution.

In order to have a fuller and more comprehensive idea of the current internal and external position of Sverdlovsk Oblast it is essential to return in our thoughts to the start of 1994. This time is characterized by certain singularities of fundamental significance for the entire subsequent period.

The **first** singularity is of a nature common to Russia—the adoption and implementation at the end of 1993 of the new basic law of the Russian Federation. The new Russian Constitution reflects and formulates in the corresponding rules of law the main demands on an equalization of the status of all components of the Russian Federation. Sverdlovsk Oblast, like other krays and oblasts and former administrative-territorial units, has acquired the status of component of the federation.

The Constitution of the Russian Federation recognizes the equality of all components among themselves and in their relations with the center. The **legal foundations** of the economic and political independence of Sverdlovsk Oblast as a component of the Russian Federation were hereby created. The Constitution accorded the oblast authorities the broadest powers in the solution of internal problems.

The **second** singularity is of an internal, oblast, nature. It is caused by the fact that following the well-known edicts of the president of the Russian Federation there was in Sverdlovsk Oblast a certain period of uncertainty and an absence of legislative authorities. I assumed my duties as head of the administration in accordance with the presidential edict as of January 1994.

The structure of the oblast administration was reconsidered, certain duplicative components were removed, and duties were reallocated in April 1994. For a strengthening of the executive a government headed by the chief of the administration of the oblast was formed.

The following were defined as the main directions for 1994:
social protection of the population;
a strengthening of law and order;
stabilization of the political and economic situation in the oblast;
preservation of the economic, industrial, research, and cultural potential;
structural changes in production;
state support for enterprise and the transformation of property relations.

In the initial period of the activity of the new administration the main attention was concentrated on bringing the plan of government of the oblast into line with constitutional provisions—the preparation of elections to a legislative body of the oblast.

The administration of the oblast and the administrations of cities and rayons did everything necessary to ensure that elections were held on 10 April and that, as a result, the Sverdlovsk Oblast Duma met in full for its first session on 28 April. The first stage of the formation of the oblast's state authorities was thus completed.

An important stage in the formation of the oblast as an equal component of the Federation and the recognition by the oblast state authorities of their powers and jurisdiction was the work on the oblast charter. This document, which is the for the oblast the basic law, concentrates all the ideas which have been generated by our lawyers in an entirely new sphere—oblast legislation. It is particularly important to emphasize this since legislation is a fundamentally new sphere of activity of oblast-level authorities.

I would like to express several wishes with respect to the organization of the law-making process. **First,** the main requirements of law-making initiatives should be primarily the correspondence to oblast priorities and the consistency of the tasks to be tackled, the quality of the study of bills, and the presence of a conceptual approach.

Second, it is essential to achieve greater mutual understanding between the corresponding subdivisions of the Duma and the administration in the bill-preparation phase.

Third, the most important bills should undergo independent expert evaluation.

Fourth, it is necessary to revise the list of proposed bills and to determine priorities in the sphere of law-making.

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This will make it possible to prevent a dissipation of the forces of the drafters and to concentrate them in the areas most important for the oblast.

Esteemed deputies!

The high obligations which impose on me responsibility for the annual report in the oblast Duma undoubtedly predetermined the selection and systematization of the material and the choice of accents and tone. I would like to emphasize that we have endeavored to show not only the state of affairs in the oblast and not only the trends of the correlation of structures and forms but, and this is what is most important, the POSITION OF PEOPLE. It is MAN, the INHABITANT OF THE OBLAST, if you wish, who is for us important first and foremost, and only then his manifestations in the form of "voter," "electorate," "support group," and such.

What has man's life been like and what is it like now?
What can he hope for?
What can he demand of the authorities?
To what extent should he rely on himself?

I would like in this connection to dwell on the following points.

First, a principal task of the realization of reforms at the current stage is an intensification of the social focus of the current economic transformations.

A visible result of the reform is the elimination of the shortage of consumer goods. Almost all types of food and nonfood products were represented in the stores last year.

The price liberalization limits appreciably the intervention of the state authorities in pricing processes. Nonetheless, the oblast administration is studying these matters constantly.

For the protection of the needy strata of the population prices and rates for socially significant goods and services: Bread, prescription drugs, the apartment charge, and a number of others, have been controlled. In addition, levels of trade markups for the retail and wholesale systems have taken shape. Use is being made of more profound mechanisms, via the stimulation of competition included.

As a result in the year on average the retail prices of certain commodities were lower than for our neighbors.

The average rates for fuel and cold water supply, local passenger railroad transport, and a number of other services were lower than the average also.

The prevention of mass unemployment and the localization of serious social conflicts were a definite positive result in the course of the structural reorganization of the economy in 1994.

It was possible under the conditions of the sharply changing investment policy to maintain the high relative proportion of nonproduction construction. The physical indicators of the introduction of housing are inferior only to the city of Moscow in terms of the quantity of housing built.

But, as the message of the president of the Russian Federation to the Federal Assembly says, "the social price of the market transformations remains high." The problem of mass poverty—one of the most serious Russian problems demanding an immediate solution—has arisen. One-fourth of people in work receive wages that fail to meet the subsistence level even. An absolute majority of employees of the publicly funded sphere are below the poverty line—these being primarily doctors, teachers, cultural and educational employees, and other categories.

According to the data of recent sociologists' polls, approximately one-third of the population of the oblast assesses its material position as extremely difficult. It is obvious that a further decline in the living standard could lead to people's increased apathy, loss of hope, a growth of the potential for social conflicts, and an expansion of the base of the criminal structures.

It is essential, therefore, that we create the social, material, economic, and organizational conditions permitting various people and groups to adapt to the changes.

The maximum easing of the influence of the negative consequences of the economic transformations on the living standard and the quality of life of the bulk of the population of the oblast, primarily the social groups particularly in need of protection and state support, is an important task. Measures of federal, oblast, and local programs for the social protection of the population should be combined in this work.

The present situation is being felt particularly painfully by the needy part of society and those unfit for work, families with children, and the handicapped.

Under conditions where assistance and support are needed by many and the resources for such assistance are limited the main tasks in the sphere of social protection are:

a redistribution of available resources for assistance to be rendered the neediest (targeted assistance);

a search for the internal resources of all branches pursuing a social policy for ensuring minimum social safeguards and standards;

the development of the optimum forms and methods of social support and assistance for the present conditions;

an augmentation of the material and technical and information base of the social protection services and personnel training;

furtherance of the development of nonstate retirement funds and social insurance funds.

The year of 1995 is special for all Russians. Last year even the administration of the oblast adopted the Program for the Preparation and Execution of the 50th

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Anniversary of the Victory in the Great Patriotic War. A special decree was adopted by the oblast Duma. These are important documents providing for the implementation of measures geared to the social protection of veterans. The allocation of 66 billion rubles from the oblast budget for the purchase of special motor transport for war invalids, the construction of housing for veterans, and cash disbursements to veterans and the families of the deceased in an amount of three times the minimum retirement pension included, is planned.

Among the multitude of problems connected with the defense of human rights, the administration of the oblast last year distinguished particularly questions of personal safety—protection of the life, health, and property of the citizen.

The Program for Intensifying the Fight Against Crime in 1995 was adopted to this end. Its main goals are a qualitative rise in the level of the fight against crime, protection of the individual and his property, the maintenance of public order, and the assurance of normal conditions for the activity of the law enforcement authorities.

A distinguishing feature of the program is the increased attention of the administration and the leadership of the law enforcement authorities to the coordination of actions in the fight against crime and corruption.

Second, the well-being of the inhabitants is largely determined by the situation in the branches of material production, primarily in industry and agriculture.

The decline in the physical volume of industrial production in 1994 compared with the 1993 level constituted 20.6 percent. It should be noted that the decline in production is of a structural nature and was less with us, on the whole, than in other oblasts and republics of the Urals region, except for Orenburg Oblast and the Republic of Bashkortostan. As before, we are ahead of our neighbors in terms of the volume of output and profit in industry. Production efficiency is higher also.

Last year all enterprises of the oblast's industry were conditionally divided into three groups.

The branches manufacturing products of final consumption—mechanical engineering and light industry—pertained to the first. These were characterized by a significant decline in production—twice as great as the industry-wide decline. A number of other economic and labor indicators were, accordingly, worse here also.

The main reasons for the crisis situation of these branches are the insolvency of the potential clients, the lack of competitiveness of the products compared with overseas counterparts, and the obsolete equipment pool.

The second group was composed of enterprises of the raw material branches. The situation is more favorable here, particularly at those of them whose product is in demand on world and domestic markets. These include mainly ferrous and nonferrous metals, ferroalloys, lumber, and others. Enterprises pertaining to the life-sustenance system represented the third group. This means heat and electric power and food industry, in the main. Their particular feature is the relatively steady demand for their product. As a result the decline in production here is considerably less than in industry on average.

To improve the state of affairs in industry the administration of the oblast adopted a number of measures to support enterprises of the fuel and energy, iron and steel, and defense complexes.

Great attention was paid to a solution of questions of fuel supply for the power stations, the use of tariff policy for heating and electric power included.

Specific measures to preserve and develop the industrial complex are set forth in the administration's action program. I would note that we will insistently seek state support for enterprises of the aluminum sub-branch and mechanical engineering and continued funding for the construction of facilities of the BN-800 fast-neutron reactor power unit at the Beloyarsk Nuclear Power Plant. Power engineering is linked with all the branches and should develop at a preferential rate.

The administration will assist enterprises of aluminum industry to ensure the more in-depth treatment of the products they manufacture; in the creation of financial and industrial groups in the lumber industry complex and in the integration of Urals enterprises for the creation of the raw material base of titanium production; the unification of market associations with the participation of enterprises of reprocessing industry.

Progress along the path of reforms is impossible without a developed market infrastructure.

Small-scale enterprises account for 6 percent of oblast profits, which constitutes almost R250 billion.

The administration will augment efforts in this direction in the current year also since small business means real jobs, which are the least expensive, and a revitalization of the economic situation as a whole.

The administration of the oblast is worried particularly by the state of affairs in agriculture.

Our farmers and the inhabitants of villages and settlements have found themselves in particularly adverse financial and economic conditions. A multitude of types of debt has accumulated: debts receivable, accounts payable, bank indebtedness, wage arrears, and arrears on sold output subsidies from the federal budget.

The huge difference in the living standards of the oblast's urban and rural population persists. The income per member of a family living in a rural locality constitutes 44 percent of the income level of the member of an urban surveyed family.

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The agrarian sector was allocated from the oblast budget for 1994 approximately R100 billion, which is an enormous sum, but which unfortunately has not made it possible to fundamentally change the rural inhabitants' financial situation. The rural workers were able, in the main, under extremely adverse conditions to complete the harvesting, lay in grain crop and potato seeds, prepare for the wintering of the livestock, and implement agro-technical measures for the 1995 harvest. The administration of the oblast is this year adopting certain measures to support the rural inhabitants.

The policy of privatization also should be subordinated to the goals of the preservation of the rational use of resource potential and the development of national industry.

The experience of our oblast shows that privatization is only successful when a proprietor who wants and is able to provide for a dependable process of the development of the enterprise for the long term is found. A careful competitive selection of "new owners" is needed.

The owner responsible not only for himself but for others also should be at the center of privatization.

The state structures undertaking privatization should be guided by the overall state interest for the right of private ownership is not only a blessing but also a burden of social responsibility. An in-depth scientific analysis of the progress and prospects of privatization, the balanced and consistent nature of the decisions, and glasnost and effective control at all stages of privatization excluding all malfeasance are essential.

Much was done in 1994 to stimulate foreign economic activity.

The administration will continue to contribute to an enhancement of the oblast's export potential, the development of the infrastructure of foreign economic activity, the creation of the conditions for an increase in the volume of foreign trade, and the attraction of foreign investments.

The restoration on a new qualitative basis of all-around relations with countries of the CIS is of particular significance.

The administration will seek to conclude comprehensive agreements and contracts with the regions of the CIS countries with which the oblast has mutual interests and is prepared to sponsor the restoration from below of economic ties within the framework of the former Union.

Third, a solution of the oblast's socioeconomic problems will depend on strong, capable authorities and the competence and professionalism of its representatives. The present authorities in Russia, in the oblast included, are in the process of formation.

The head of the administration and the government of the oblast have structured their policy such that fuller use be made for a resolution of internal problems of the powers accorded by the Constitution of the Russian Federation.

In tackling key problems of the oblast's social and economic development and the preservation of its technological, research, and cultural potential we have always met with support both from the president of the Russian Federation and the federal government.

Interaction with the oblast Duma is of fundamental importance for us.

The executive is prepared to continue to cooperate with the Duma, taking as a basis the following principles:

collectiveness, participation, and cooperation;

a gradual and phased approach, realizing that the formation of the power structures in the center, in the regions, and at the local level is a process that cannot be tackled by forced methods;

the integrity, unity, and efficiency of power;

consideration of the current features of the internal and external political situation in the oblast and the country;

recognition of the need for consideration of the interests of the center as the spokesman for and guarantor of statewide interests and as the leading and regulating principle in the assurance of a balance of interests of the territories.

Only by daily reliance on these principles may we strengthen the unity of the main branches of power and jointly marshal the strategic line and regional policy. This is the starting point in the solution of oblast problems.

The year of 1995 will be one of the introduction of an integral management mechanism in the activity of the oblast executive. We need to be more decisive in rejecting the narrow pragmatic, narrow departmental solution of questions in favor of a publicly significant, social vision of problems. The efficiency of the control of social processes is determined by a knowledge of the requirements and interests of strata of the population and the territories.

Oblast programs of the development of small business, the educational system, youth policy, and the archive service have been adopted in this key this year at sessions of the government, and at a recent one, "Administration Action Program for Priority Areas of the Socioeconomic Development of Sverdlovsk Oblast in 1995," "Program for an Intensification of the Fight Against Crime in Sverdlovsk Oblast in 1995," and others.

It is important in this situation to define the base principles of government of the oblast on the basis of the Constitution of the Russian Federation and the oblast charter. A well-developed concept of government of the

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oblast linking on the one hand economic, social, demographic, territorial, and other factors and, on the other, the jurisdiction and authority of all agents of power and administration operating on the territory of the oblast is needed.

The ways of achieving this are seen to be primarily an expansion of glasnost and the openness of the activity of the authorities. This style is today taking shape in the work of the government in the drafting and adoption of programs and the implementation of specific measures.

Preparatory work on a reorganization of the structure of the executive authorities of all levels, an integral part of which will be a pronounced reduction in the numbers of the administrative staff, is being completed. The structure itself will be more suited to the requirements and tasks of public service. A law on the oblast civil service has been prepared.

Work on the establishment of permanent political mechanisms of concerted activity with the Duma, local government authorities, the federal center, components of the Federation, and our deputies in the Russian Parliament will continue in 1995.

Fourth, the government of the oblast is paying great attention to relations with public and political organizations. There are more than 1,000 of them in the oblast. A public chamber was formed in 1994. Working contacts are gradually being established. The chamber is an important source of public opinion and a medium of communication between the authorities and the populace. A daily mechanism of interaction with the public chamber is to be created, and at oblast committees and departments it is planned to embark on the creation of specialized public consultative councils.

There is before us a wide field of social partnership. We already have certain experience of joint work with the unions and the commodity producers of the oblast, entrepreneur associations, and other movements. A new agreement has been signed for 1995 in accordance with the law of the Russian Federation "Collective Contracts and Agreements."

There is a pressing need for a legislative base providing for realization of the constitutional right of the citizens of the oblast to association. We support the idea contained in the president's message to the parliament of Russia concerning the development at the oblast level of mechanisms of material support by the authorities for socially significant public initiatives and a lenient tax policy in respect to public associations, primarily in the sphere of charitable activity.

It would be expedient in 1995 to transfer to the plane of legal techniques the main directions of the activity of the state authorities in support of public institutions:

a change in the practice of the work of state authorities for the precise performance of their functions in relation to society;

furtherance of the development of public institutions capable not only of advancing initiatives but also achieving their realization;

the establishment of dependable mechanisms of dialogue between public and state structures.

In relations with public and political organizations the government of the oblast is seeking to ensure that the field of clashes of the parties' positions and methods of solutions not be public meetings and picket lines but that it take the form of harmonized and consolidated agreements and recommendations addressed to the authorities.

Esteemed deputies!

Reforming the economy, social structure, and political system of such a vast region as Sverdlovsk Oblast rapidly and painlessly is impossible. A flexible, long-term policy taking account of the interests of the Federation, regional singularities and traditions, the actual situation, and changes in the public mood is needed. Such a policy has nothing in common either with conservatism or with revolutionary irresponsibility.

Such a policy requires the nondissipation of forces and the concentration of resources and political will in the key, vitally important areas for a change for the better. There should be no revolutionary spontaneity in reform.

In concentrated form the set of measures for the shaping of a strong regional policy based on the principles of the equality of the components of the Russian Federation should specify:

first: the assurance in practice of constitutional rights and liberties and the political, economic, and social guarantees enshrined in the charter of Sverdlovsk Oblast. This is the main sociopolitical condition of stability and of the very possibility of reform activity.

Second: a consistent improvement in the activity of the institutions of state power and the organization of an effective system of interaction of the organs of executive, legislative, and judicial power.

Third: realization of the constitutional principles of federalism and the equality of the components of the Russian Federation.

It is these principles that are capable of ensuring the precise delimitation of the powers of the federal authorities and the authorities of components of the Federation.

Fourth, the effective participation of the state in the economic process. The well-considered use of economic and administrative instruments of state regulation will make it possible to ensure social stability in the region and shape the potential for the economic growth of all sectors of the regional industrial mechanism.

Fifth, determination of the position of the oblast in interaction with oblasts and republics of the Russian Federation and with the countries of the near and far abroad. A

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strengthening of mutually profitable relations with countries of the CIS, primarily with the regions of them with which the oblast has mutual interests. We are prepared to sponsor the restoration from below of economic relations within the framework of the post-Soviet space.

The charter of Sverdlovsk Oblast and the action program of the oblast government for 1995 afford an opportunity for a start to be made on the actual process of unification of the entire constructive potential of the region and the conversion of its energy for the good of the citizens of the oblast.

The declared goal may be achieved only by the joint actions of all constructive political forces to which the future of a Urals striving for prosperity and democracy is dear.

Thank you for your attention!

Economic Issues

Aide Previews President's 1996 Budget Message

MK0405124995 Moscow SEGODNYA in Russian 4 May 95 p 1

[Report by Aleksandr Bekker under the "Blueprint" rubric: "President To Send a Budget Message to Government. A Political Assignment With Economic Limitations"]

[FBIS Translated Text] An unconventional document—a budget message for 1996—is being drawn up by President Yeltsin's staff. Within the next month the document will be finished and sent to the government. This was announced at a news conference by Aleksandr Livshits, Boris Yeltsin's economic adviser. The novelty of the document is that this will be neither a traditional voluminous draft federal budget for a specific year nor an amorphous presidential budget order. This is something in between or, as Mr. Livshits put it, "a political assignment to the government on drawing up the budget." He sees the message as a start to a political tradition designed to fill a gap in the president's executive functions.

Proposals regarding the document have been sent in by scientists, deputies, people holding various political views. Mr. Livshits would not give specific names, but by contradiction outlined those who are not participating in the undertaking; these are Messrs. Zyuganov, Lapshin, Zhirinovskiy. According to the presidential adviser, all the ideas were constructive, "they weathered a compatibility test," and therefore "a mechanism of accord has been set up" at this stage. The constructive nature of the proposals is limited, however, by fairly austere numerical parameters of the future budget. These are, first of all, a budget deficit within 4 percent of the GDP. Second, actual tax cuts, particularly with regard to manufacturers. At the same time, Mr. Livshits noted, this can be achieved by "technical means, sometimes even without changing interest rates." The drafts of such decisions are "at a stage of being well prepared." Upon slashing the overall tax mass, however, the problem of compensating for lost budget revenue is bound to arise.

Aleksandr Livshits also mentioned among limitations the need to eliminate both internal and external budget debts. He pointed out the first component in particular: "I hope that by the end of next year such notions as budget debts in delayed wages will disappear from the vocabulary of Russian citizens." He added that the executive authority is at this stage "doing our utmost so that the situation will be relatively normal this year."

Finally, yet another parameter that will place limitations on proposals regarding the 1996 budget is the financing of the budget deficit by non-inflationary methods, that is, by issuing government securities. There is nothing completely new in the proposal, because 40 percent of this year's budget is due to be covered precisely in this fashion.

TV Reports Finance Minister's Budget Remarks

LD0405123195 Moscow Russian Television Network in Russian 1000 GMT 4 May 95

[From the "Novosti" newscast]

[FBIS Translated Text] The government today discussed the results of the budget performance in the first quarter year as well as plans concerning implementation of the program for developing the economy over the next two years.

[Correspondent Gostiyeva] The Russian Federation Government today is summing up the results of implementing the budget in the first quarter of 1995. Finance Minister Vladimir Panskov presented an accounting report. Figures given in his speech show that the government has managed to change the economic situation for the better since the beginning of the year. Production decline has significantly slowed down and budget revenues exceeded the predicted figure by three percent. As far as expenditure is concerned, one has to withstand numerous attacks from industrial branches. However, only protected budget items such as social, cultural, and defense spheres were fully financed in the first quarter. To tell the truth, disbursements did not always reach their targets. For instance, in the Maritime Territory 18 billion rubles earmarked for miners' wages were being used in private structures whereas festivities devoted to the 50th anniversary of the Victory [in Europe] were completely financed completely.

Finance Minister Rejects Claims on State Budget

MK0505094795 Moscow SEGODNYA in Russian 5 May 95 p 1

[Report by Aleksandr Bekker in the "Tension" column: "The Sectors Continue To Attack the Finance Ministry"]

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[FBIS Translated Text] The report by Finance Minister Vladimir Panskov on implementation of the budget in the first quarter, made yesterday at a government session, resulted in yet another clash between his department and sectoral ministries. Panskov said that for the first time in the past few years the budget revenue plan for the first three months has been fulfilled 103.3 percent. The "plus" has been ensured by increased volumes of exports and proceeds from the difference in the ruble exchange rate. Tax returns have been more modest: 88.6 percent of the projected figures. The budget's quarterly underassessment is 13 trillion rubles, three quarters of which are due to a delay in the release of the IMF standby credit. Even so, the budget deficit has stayed within 3.3 percent of GDP, whereas for the whole year it is planned at 5.6 percent.

Sectoral ministries, however, could not care less about this side of the budget. Defense Minister Pavel Grachev attacked the Finance Ministry, saying that the state owes 600 billion rubles in back salaries to military servicemen for April alone. "Government financiers apparently decided to agitate the army before the May 9 holiday," said the head of the defense department. He was supported by transport, communications, railways, and justice ministers, who also cited billion-level figures. Panskov admitted that only 82 percent of the budget expenditures plan has been executed. And although this is more than a year ago (76 percent), financing for some sectors of the national economy had to be "cut."

The finance minister did not choose a defensive tactic but proceeded to counterattack. He recalled that the budget was adopted by the State Duma at the end of the first quarter, which could not but affect sectoral financing. Second, government resolutions and presidential edicts, critical to money disbursement, enter into force with great delay. For instance, the abolition of exemptions in foreign trade under Boris Yeltsin's Edict 244 will not take effect until 15 May. "Therefore, there is a decision, but no money in the treasury," the finance minister said. Third, he mentioned the "catastrophic" non-receipt of funds from privatization: 50 billion rubles came to the treasury while the federal budget law provides for 9.1 trillion rubles this year.

Neither is Panskov deceived over a seemingly favorable sphere: the sale of state securities. In the past four months 4.5 trillion rubles worth of T-bills have been sold. The overall sum included in the budget is 32 trillion rubles. "If things go on like this, the plan to finance the budget without increasing inflation may not withstand the test," the minister concluded. In hoping that in the current quarter's budget execution will improve, he primarily counts on increased revenues from foreign economic activity. The cancellation of customs exemptions will begin to make itself felt at last.

The Finance Ministry, however, would not be a Finance Ministry if it confined itself to a passive role. Panskov proposed suspending the provision of returnable loans from the treasury to enterprises and territories. Presumably he meant primarily the "holy cow" of the state budget: the agro-industrial complex. Having apparently lost hope of receiving preferential centralized credits, the agrarians secured 2 trillion rubles worth of allocations instead of 1 trillion recorded in the budget. Clearly, the change from "loan" to "credit" will in no way affect the return of the money.

Budgetary scuffles between the Finance Ministry and the sectors are just around the corner. After Panskov proposed freezing export duties until the end of the year, its main rival will be the fuel and energy complex, which is pressing for their reduction. Once again the fighters will have to be "separated" by Premier Chernomyrdin. At yesterday's session he took a generally unequivocal position. "This year we shall have no other financial sources than those envisioned in the budget," he stressed. At the same time the premier will apparently be more flexible on particular issues. When he called on all members of the Cabinet of Ministers to ensure a "strict and timely" execution of the 1995 budget, Chernomyrdin could hardly have excluded the finance minister from its composition.

Panskov: Moscow May Issue Hard Currency Securities

LD0405163095 Moscow ITAR-TASS in English 1359 GMT 4 May 95

[By Gennadiy Yezhov and Andrey Serov]

[FBIS Transcribed Text] MOSCOW, May 4 (Itar-Tass)—Russian state securities with face value in hard currency are likely to be issued as soon as in June 1995, if the Russian government passes a bill on security issues into a law, Russian Finance Minister Vladimir Panskov told Tass on Thursday [4 May].

Securities which will be named "federal debt bonds" will be distributed both among commercial bodies and Russian residents through savings banks, a treasury system, and a currency exchange, Panskov said.

The idea of issuing Russian securities with hard currency face value was prompted by a growing tendency of the population to sell dollars. Bonds are meant to simplify the conversion and give additional backing to the rouble.

The government operational commission chaired by the Russian first vice-premier Anatoliy Chubays decided on Wednesday to speed up the adoption of the securities bill by the government. The cabinet received the bill as far as in March.

Davydov Discusses New Tax Collection System

LD0505110995 Moscow ITAR-TASS in English 1018 GMT 5 May 95

[By Gennadiy Yezhov]

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[FBIS Transcribed Text] MOSCOW May 5 (Itar-Tass)—Every Russian citizen who gets income will soon be given his own taxpayer number, which will prevent dishonest people from hiding the amount of their revenues, Deputy Prime Minister Oleg Davydov said today at a meeting with senior executives of the world-famous American IBM company, which turns out computers. IBM proposed to the Russian Government to supply computers for the tax collecting network on the local and federal levels and to prepare software for it.

According to Davydov, in the first quarter of this year only 86 per cent of the planned amount of tax revenues reached the budget, while it is the taxes that are the main source of budget revenues.

It was stressed during the negotiations that IBM has extensive international experience in improving tax collection. For instance, the effective tax collecting system of Hong Kong was created with its participation. Novelties to be introduced by IBM include special street telephone, by which everyone will be able to receive information about the amount of taxes he must pay to the state and for what exactly he is going to pay.

Measures, taken by the Russian authorities with the aim to toughen responsibility for the non-payment of taxes or for supplying the false information about the income, were met with satisfaction by the company's mangement, which has been effectively working in Russia for several years.

Jan-Mar Data 'Sound Basis' for Stabilization

MM0505081795 Moscow ROSSIYSKAYA GAZETA in Russian 5 May 95 First Edition p 1

[Unattributed report: "Revenue Higher Than Planned. Finance Ministry and Central Bank Sum Up First Quarter Financial Results"]

[FBIS Translated Text] Economic departments have presented to the Russian Government materials on the implementation of the budget in the first quarter and on the tasks for the second quarter of 1995. Having correlated the data, the Finance Ministry and Central Bank issued a press release which says, in part:

The implementation of the budget in the period of 1995 under review took place in conditions of a relative improvement in the basic macroeconomic indicators. The decline in the GDP slowed down and it was 5 percent in January-March compared with 17 percent in the first quarter of 1994. Industrial output fell by 4.5 percent compared with 23 percent a year ago.

The inflation rate started to fall in January. In January the aggregate consumer prices index was 17.8 percent, in February it was 11 percent, in March it was 8.9 percent, and the estimate for April is 8 percent. The tough monetary and credit policy that has been implemented since the beginning of 1995 is creating the prerequisites for a further substantial reduction in the level of inflation in the coming months.

The favorable economic climate was recognized by the adoption of the Law on the Federal Budget, as a result of which both the social sphere and the national economic complex obtained more definite pointers than in previous years.

As a whole the federal budget was implemented in the first quarter with revenue at 32.1 trillion rubles [R], expenditure at R39.7 trillion, and a deficit of R7.6 trillion, or 3 percent of GDP, compared with a planned budget deficit for 1995 of 5 percent.

Predominantly noninflationary means were used to cover the federal budget deficit: short-term state bonds, treasury bonds, industrial credits to cover the cash discrepancy. The finance ministry intends to continue to develop a secondary financial market.

The domestic state debt is playing an increasing role in making up the budget, and the proportion of the budget spent on servicing and paying it off is increasing at the same time. Russia's hard currency reserves are steadily growing.

State short-term bonds will be a very important means of forming the domestic state debt in 1995. The market in them is expected to provide revenue of R20 trillion. Moreover, the so-called short debt will gradually change the structure of the state debt by increasing the proportion of six-month and one-year bonds. Over four months revenue from short-term state bond issues was R5.4 trillion. The discharge of the government's commodity liabilities should be completed by the end of 1995.

For the first time in the past four years federal budget revenue in the first quarter exceeded the projected figure by 3.3 percent and foreign debt repayments were 1.9 times greater than foreign borrowing.

The planned and already partially implemented abolition of a number of unsound export, import, and tax concessions gives grounds for a favorable forecast for the implementation of the federal budget in the coming months.

The implementation of the expenditure part of the federal budget was also improved in the first quarter. The social element in budget expenditure was reinforced. The proportion of expenditure on social and cultural measures rose to 7.3 percent compared with 5.8 percent in the first quarter of last year. At the moment the budget owes nothing in pay and students' stipends in the sphere of education, health, culture, and social protection. This fully applies also to national defense, law enforcement organs, and state management organs.

The increased proportion (from 27 to 30 percent) of expenditure on defense and law enforcement organs

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reflects the changed political background to the implementation of the economic reforms. It should be noted that the financing of expenditure on overcoming the conflict in Chechnya has come and continues to come out of budget appropriations allocated to the relevant ministries and departments without any increase in budget projections. More attention was paid in the first quarter to matters of financing national economic sectors. Some 16 percent of federal budget expenditure was used for that purpose compared with 14 percent in the first quarter of last year. The financing of the coal industry is taking place fully in accordance with the schedule that was devised. All current and capital expenditure connected with the 50th Victory anniversary is fully funded. Agro-industrial complex sectors remain a priority when it comes to executing the budget. Twice as much was spent on them as was laid down in the budget. There was steady budget funding in the first quarter for the delivery of goods to the Far North.

The tougher rules governing the use of state financial resources are maintained by audits carried out by treasury organs (there were 8,500 audits in the first quarter alone). They identified 49,000 violations of the set procedure for paying taxes and cases of wrong use of budget funds totaling R231 billion, which attracted the penalties laid down by the law.

Summing up, the Finance Ministry and the Central Bank noted that the consistent implementation of the planned course of budget and credit policy will strengthen the national monetary unit and as a result create a sound basis for the process of economic stabilization in Russia which is under way.

Edict Protecting Investors Promises Little Success

MM0405133995 Moscow ROSSIYSKAYA GAZETA in Russian 4 May 95 First Edition p 1

[Article by Aleksandr Velichenkov: "Where Investors Should Seek Protection"]

[FBIS Translated Excerpt] Russian Federation Presidential Edict No. 416 on protecting investors' interests and bringing the activity of corporate bodies operating in the financial market without licenses into line with legislation came into effect after its publication in ROSSIYSKAYA GAZETA.

The first legislative requirement for licenses for such activity was introduced in June 1991 by the Law on Investment Activity. Since then around 50 documents on this topic have been introduced. Moreover, in January 1993 the Russian Federation Superior Court of Arbitration deemed unlawful the activity of unlicensed companies, including those attracting funds from the population. But all this legislation has simply lain idle and has not protected the interests of the large number of investors at all. [passage omitted]

Unfortunately, the current edict is most unlikely be an exception to this rule.

Here is another instruction to the Federal Commission on Securities and the Stock Exchange, which in six months of work has not once exercised its powers to bring at least someone into line.

Here is another manifestly unlawful extension of the powers of the Internal Affairs Ministry and the Federal Security Service whereby funds may be "confiscated and returned" to investors pending a court ruling. Or do those departments not have lawyers and are they ignorant there of the fact that these norms are at variance with the Civil Code? Or perhaps they are very keen in those departments on appearing in court as defendants and paying the "confiscated and returned sums" out of the budget when cases are lost.

Here is another instruction to the licensing departments (the fifth, I think) to ensure that licenses are issued within three months to all the financial "nonconformists," who have been openly engaged in swindling citizens for two to three years now in the absence of anyone pursuing them or attempting to persuade them.

But perhaps it is time simply to exercise the power we have rather than issuing yet another instruction to the government to prepare a law which is superfluous because it already exists!

Chubays' Commission Targets Treasury Bonds, Maritime Kray

MK0405125995 Moscow SEGODNYA in Russian 4 May 95 p 2

[Report by Aleksandr Bekker under the "Government" rubric: "Finance Ministry To Issue New Securities for the People Shortly. Criminal Action May Be Initiated Against Maritime Kray Administration"]

[FBIS Translated Text] Anatoliy Chubays, chairman of the government's operational commission on improving the system of payments and settlements, dwelled on the development of a government securities market as a No.1 issue at yesterday's commission meeting. By so doing the deputy prime minister appears to have indicated that the commission will focus its attention not only on budget expenditures, but also on revenue, for which the operation of a securities market will be of primary importance—all the more so because the budget calls for 32 trillion rubles worth of short-term state bonds, treasury bonds, Vneshekonombank [Foreign Trade Bank] securities, and other financial instruments to be sold to cover 40 percent of the budget deficit.

It was noted at the meeting that the Finance Ministry and the Central Bank are slow to start this work on a large scale. At the same time, the meeting approved the upcoming opening of a "second front" by these agencies: Within the next few days the government will sign a decree and the Finance Ministry will start issuing securities denominated in hard currency. Such securities pegged to the ruble's current exchange rate against the dollar will be most attractive for the population. The

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thing is that when the inflation rate goes down, people become eager to convert foreign currency into rubles. These people will be invited to convert their dollars and marks into government securities instead. This will "make it possible to stabilize the ruble's position," speakers at the meeting emphasized.

The meeting also analyzed economic reasons for the critical situation in the Maritime Kray coal field, which was recently visited by an interdepartmental commission under Fuel and Energy Minister Yuriy Shafranik. Yesterday, Mr. Chubays' operational commission pointed out that the Fuel and Energy Ministry has been sluggish to combat nonpayments in the electric power and coal industries. The "YeES Rossii," or Russian Joint Electric Power Grid joint-stock company, has made gross mistakes in its dealings with coal suppliers. The commission confirmed information that had been made public by the mass media earlier that the management of the "Dalenergo" utility company diverted budget funds for "extraneous purposes" at a time of an acute crisis, when miners were left without wages. In that regard, the meeting considered holding Anatoliy Dyakov, president of the Russian joint-stock company, personally responsible for the crisis and firing "Dalenergo" General Director Yuriy Basharov from the job.

Furthermore, the commission pointed out "the professional incompetence and inability of the Maritime Kray administration" to establish the reasons for the crisis that fall within its jurisdiction. A number of facts unearthed by the commission give one grounds to suggest that administrative responsibility alone will not be enough in this case. Possibly, the question of initiating a criminal action against these leaders will be raised. It was ordered that relevant documents on the matter be prepared to be sent to the general prosecutor's office.

Tally of Spring Sowing Reaches 16 Million Hectares

MM0405145495 Moscow ROSSIYSKAYA GAZETA in Russian 4 May 95 First Edition p 2

[Unattributed report: "Routine Field Work"]

[FBIS Translated Text] During the May festival Russian machine operators sowed nearly 3 million hectares of spring crops. This makes a total of 16 million hectares since the beginning of the sowing campaign. These latest data were announced by the Russian Federation Ministry of Agriculture and Food.

Commenting on the spring work, the ministry specialists stressed that the pace was quick only in the most economically favorable regions—Krasnodar and Stavropol Krays, and Rostov,, Volgograd, Orel, and some other oblasts. In the remaining regions work is often suspended and time is lost due to a shortage of fuel and mineral fertilizers.

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International Affairs

President Kuchma Continues Visit to Italy

Meets Italian Parliamentary Leaders

LD0405194495 Kiev UNIAR in Ukrainian 1530 GMT 4 May 95

[FBIS Translated Text] Rome [no date as received]—Ukrainian President Leonid Kuchma, on an official visit to Italy, has met both heads of Italy's houses of parliament, Irene Pivetti and Carlo Scognamiglio.

Irene Pivetti urged harmonization of the two states' laws that lay the foundation of economic links. Joint economic activity should go hand in hand with evolving bilateral cooperation in culture and obtaining more information about Ukraine, since the latter country is chiefly known among Italians in association with the Chernobyl tragedy, which is not the best of stereotypes.

The president told Irene Pivetti about his decision to have Chernobyl shut down by the year 2000.

Carlo Scognamiglio pledged all-sided support for Ukraine. He said: "Europe's division into politically and economically unequal halves must not be allowed. That is why there should be no haste in expanding the Council of Europe and NATO. Everything should proceed naturally."

President Kuchma asked for assistance in "pulling Ukraine up" to the level of western Europe, a decision made by the Ukrainian leadership, and said he would welcome applying the Italian experience of a two-chamber legislature to Ukraine.

Kuchma: Want Italian Support in EU

LD0405201595 Moscow INTERFAX in English 1851 GMT 4 May 95

[FBIS Transcribed Text] MILAN, May 4 (Interfax-Ukraine)—Ukraine is interested in Italian support for the ratification of the partnership and cooperation agreement by European Union countries, President Leonid Kuchma said at a Thursday [4 May] meeting at the Chamber of Trade and Industry in Milan.

Besides, he said, Ukraine thinks it necessary to sign a temporary trade agreement with the EU.

Kuchma favored a change in his country's status in the general system of EU preferences. He reminded his audience that on January 1 the European Commission cancelled the tariff preferences on textiles from Ukraine.

This is worsening production conditions in West Ukraine where Italian companies are planning big investments in the textile industry, Kuchma said. As many as 34 restrictions for Ukrainian manufacturers are in force in the textile trade.

According to the president, during the next two years Ukraine is capable of using $30 billion in foreign investments.

He said Italian investments make up only 2.5 percent of total foreign investments in his country. Contributions are the biggest in the food and light industries: 46.2 percent and 15.4 percent respectively.

Kuchma News Conference on Rome Visit

LD0405191995 Moscow INTERFAX in English 1518 GMT 4 May 95

[From the "Presidential Bulletin" feature: by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] Ukrainian President Leonid Kuchma and Italian Prime Minister Lamberto Dini signed in Rome on Wednesday night [3 May] a treaty of friendship and cooperation between the two countries.

On the same day, Kuchma addressed industrialists and businessmen of Italy and noted that "the overcoming of the economic crisis, which has been deteriorating the economy, is the most important problem of Italy." "Ukraine", he said, "expects that the international community back the processes being carried out in our country".

According to Kuchma, Ukraine and Italy may develop broad relationships, for example, in ship building. "Ukraine has a powerful basis for the construction of top-class vessels of various designations," he said and added that "these capacities are not fully used".

The president also pointed to the fact that it is promising to attract advanced Italian technologies in the agro-industrial complex of Ukraine and to develop cooperation in the processing industries.

Addressing a news conference, Kuchma said that during his visit to Italy he did not ask for help, "we suggested cooperation".

Answering the questions by journalists, the president said that Ukraine does not intend soon to reduce its contingent in the UN peace-keeping force in the former Yugoslavia. "We believe Ukraine should take part within its powers in the processes, which are taking place in the region," said the head of state. He said that the Ukrainian Foreign Ministry made a statement on May 3, in which it called on the conflicting sides to enter peace talks.

Asked by Interfax about the development of relations with Russia, Kuchma said that "Russia has been and remains Ukraine's strategic partner".

Speaking about the forthcoming part in the celebrations in Moscow on May 9, the president said that he will meet with Russian President Yeltsin, however, he said "the meeting will be brief, and there will be no time to discuss bilateral relations at it".

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Speaking about the situation in the Crimea, Kuchma said that "Ukraine had used many means to bring to Common sense the Crimean separatists and persuade them to enter Ukraine's legal space". "It is the Crimean leaders who are to blame that these measures failed", said Kuchma. Kuchma believes "natural" the decisions by the Ukrainian parliament about the annulment of the Crimean Constitution, because, as he put it, "this Constitution says that the Crimea is a state".

According to the president, the Crimean parliament "does not express the will of the people living in the Crimea".

Minister Notes Importance of EU Integration

WS0505084195 Kiev UKRINFORM in English 0702 GMT 5 May 95

[From the "Current Events" feature]

[FBIS Transcribed Text] Commenting on the intergovernmental agreement signed in Rome between Italy and Ukraine and providing for reciprocal investment promotion and protection, Serhiy Osyka, Ukraine's deputy prime minister and minister for foreign economic relations, who accompanies President Kuchma on an official visit to Italy, said in an exclusive interview to UKRINFORM's correspondent in Rome on May 3 that each new intergovernmental agreement Ukraine signed with European nations, accelerated Ukraine's integration into the European Community.

Mr. Osyka referred to the said agreement as particularly important to Ukraine, since the nation is in bad need of foreign capital investments to improve its presently deplorable economic situation.

According to Mr. Osyka, accelerated circulation of money, attraction of foreign capital via investments and credits, though a positive process per se, should not be viewed as the only resource of the national economy's improvement and development.

As Mr. Osyka stated, Ukraine has embarked on a qualitatively new relationship with the EU, since no member-nation may undertake any actions without agreeing them with other member-nations and the EuroCommission. In view of this, Mr. Osyka went on, Ukraine's cooperation with Italy promotes Ukraine's integration into the European Community, since Italy is its very prominent and influential member.

Mr. Osyka voiced his conviction that President Kuchma's official visit to Italy will pave the road to Ukraine signing important bilateral documents with influential European institutions and organizations, which, in turn, will open new opportunities for solving the nation's domestic problems.

Kuchma Comments on Yeltsin Meeting, Bosnia

LD0505085295 Kiev Radio Ukraine World Service in Ukrainian 0800 GMT 5 May 95

[FBIS Translated Text] Our upcoming meeting with Russian President Boris Yeltsin at Victory Day festivities will, as usual, be cordial and productive, while my relationship with Russia's head of state and traditional friendly feelings toward the Russian people will not change regardless of where I am, whether it is Rome, New York, or Kiev, Ukrainian President Leonid Kuchma told journalists on Thursday [4 May]. He said Victory Day is a celebration shared by Russians, Ukrainians, other nations of the former USSR, and all participants in the antifascist bloc and people of good will worldwide.

The president said that 50 years after the victory over Nazism, Europe regrettably is at war again, with the conflict in the former Yugoslavia having escalated. Ukraine would like to see a peace process develop in that region and so far has no intention of withdrawing its peacekeeping force, there under UN command. Ukraine wishes further to take an active part in finding a peaceful settlement to the Yugoslav conflict, Leonid Kuchma said.

He went on to say that he was satisfied with his negotiations with the Italian leadership. We have not come here holding out our hand. We have proposed cooperation on the basis of equal rights and have been treated with understanding by our Italian partners, Leonid Kuchma said. He added that Italian diplomats will support Ukraine in securing its admission to the Council of Europe and fully fledged participation in the regional organization of the Central European Initiative.

On completion of the official part of his visit to the Apennines yesterday, the president of Ukraine left for Milan.

Disagreement With UN Over Peacekeeping Withdrawal

LD0405213195 Moscow INTERFAX in English 1645 GMT 4 May 95

[FBIS Transcribed Text] KIEV, May 4 (Interfax-Ukraine)—Kiev disagrees with the U.N. Secretariat's intention to withdraw the Ukrainian peacekeeping battalion from Croatia. "The U.N. Secretariat has not yet made the final decision, and the Ukrainian side is holding talks with it. Their goal is to preserve the Ukrainian battalion in Croatia," the head of the international institutions department of the Ukrainian Foreign Ministry, Vladimir Khandogiy, told Interfax-Ukraine.

According to Khandogiy, the U.N. Secretariat has informed them that a new operation being launched will require fewer personnel.

In addition to the Ukrainian battalion, those of Jordan and Kenya will be withdrawn as well.

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The 450-strong Ukrainian battalion is stationed in the North sector near the city Glina and performs the regular peacekeeping functions.

The Ukrainian diplomat added that if the U.N. Secretariat did decide to pull out the Ukrainian battalion, the withdrawal will last until late June.

Khandogiy did not exclude that a compromise decision could be found, such as to transfer the battalion to Bosnia-Herzegovina.

Foreign Ministry on War Escalation in Croatia

LD0405131695 Kiev UNIAR in Ukrainian 1230 GMT 4 May 95

[FBIS Translated Text] Kiev—Ukraine is concerned at the worsening situation in Croatia, which has been caused by renewed fighting along the cease-fire line in western Slavonia, reads a statement by Ukraine's Foreign Affairs Ministry.

Ukraine opposed and continues to oppose the use of force in resolving problems in the Republic of Croatia, the document points out. The Ukrainian Ministry of Foreign Affairs expresses concern at the possibility of the conflict spreading to the territory of Bosnia, which, the statement concludes, will certainly undermine hopes for the restoration of truce between the warring sides.

Officials Discuss NPT Extension in New York

LD0405141995 Moscow INTERFAX in English 1323 GMT 4 May 95

[FBIS Transcribed Text] KIEV, May 4 (Interfax-Ukraine)—Two Ukrainian officials met sponsors of the UN conference on nuclear non-proliferation and chief negotiators of nuclear states in New York on Wednesday [3 May] to discuss the prospects of nuclear disarmament and extension of the NPT [Nuclear Nonproliferation Treaty] agreement. They are Secretary of the National Security Council Vladimir Gorbulin and Vice Foreign Minister Konstantin Grishenko.

Participants in the meeting praised Kiev's participation in the process of nuclear disarmament, a Ukrainian foreign ministry spokesman told Interfax-Ukraine.

On the same day Gorbulin held talks with UN Deputy Secretary General Annan to discuss the resumption of fighting in Croatia.

Russian With Secret Information For Sale Detained

LD0405144895 Moscow INTERFAX in English 1323 GMT 4 May 95

[FBIS Transcribed Text] DNEPROPETROVSK, May 4 (Interfax-Ukraine)—Activity of Russian citizen Valeriy Beitter who planned to collect secret information at the enterprises of the military-industrial complex in the Dnepropetrovsk region and to sell it to representatives of one of the Arab countries was prevented in Ukraine. The press center of Ukraine's Security Service Department in the Dnepropetrovsk region distributed this message on Thursday [4 May].

Interfax-Ukraine has learned that on April 20 Valeriy Beitter was evicted from Ukraine's territory with the sanction of the regional prosecutor and handed over to Russia's competent bodies.

The press center reported to Interfax-Ukraine that Russian citizen Beitter came to the republic from Chisinau where he lived during the last time. He showed special interest in technologies related to production of rockets.

Head of the press service Vitaliy Kolokhin refused to report what Arab country intended to buy this secret documentation. In his words, in December 1994 the Dnepropetrovsk counterintelligence officers prevented an attempt of Beitter's mate, Igor Kasharayev, to buy another rocket documentation from one of the specialists of the design bureau Yuzhnoe. In the course of an investigation it was found out that the South African Republic showed interest in purchasing these documents.

In an interview with Interfax-Ukraine Vladimir Slobodenyuk, head of the Security Service Department in the Dnepropetrovsk region, reported that this Ukraine's region represents special interest for foreign intelligence officers who, as he said, "often visit it." He also said that repeated attempts to purchase rocket technologies from the specialists of the Yuzhnoe machinery construction factory were registered by Ukraine's counterintelligence service.

Slobodenyuk said that over the last year employees of the Security Service Department "blocked" two attempts to create foreign intelligence net in Dnepropetrovsk and four agents of foreign special services were exposed among the Ukrainian citizens.

National Affairs

Baltin Urged To Exclude Arms From Sevastopol Parade

LD0405171795 Kiev UT-1 Television Network in Ukrainian 1600 GMT 4 May 95

[FBIS Translated Text] Ukrainian President Leonid Kuchma has sent a telegram to Admiral Eduard Baltin, the Black Sea Fleet commander, with the request not to incorporate military hardware into V-Day holiday columns in Sevastopol on 9 May and also to ban the servicemen who are to take part in the parade from carrying personal arms. INTERFAX-UKRAINE agency learned this from well- informed sources within the command of Ukraine's Naval Forces. The telegram indicates that the request stems from the program of events marking the 50th anniversary of victory in the Great Patriotic War, which was approved by the Ukrainian president's instruction of 9 March 1995. According to the program, the military parade is to be held in Kiev only.

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Moroz, Crimean Parliament Speaker Talk by Phone

LD0405142195 Moscow INTERFAX in English 1322 GMT 4 May 95

[FBIS Transcribed Text] SIMFEROPOL. May 4 (Interfax-Ukraine)—Chairman of the Ukrainian parliament Oleksandr Moroz, during a telephone talk on Wednesday with speaker of the Crimean parliament Serhiy Tsekov, asked for the cancelling of the Crimean referendum and said that he did not exclude the possibility of its canceling by the Ukrainian parliament. Tsekov told the Crimean parliament session on this on Thursday [4 May].

According to Tsekov, he proposed to Moroz "to put in effect the law on dividing powers between the bodies of state power of Ukraine and of the Crimean Republic" and on this basis "to settle contradictions between the Ukrainian and Crimean legislatures".

"I feel that Oleksandr Moroz understands the fact that the Ukrainian decision on the Crimea is excessive and violates the Ukrainian legislation," said Tsekov.

He believes that "the referendum should be held, and later it is necessary to analyze the situation and take one or two steps back towards the settlement of relationships between Kiev and Simferopol in a civilized way."

The Crimean speaker particularly noted the fact that "the holding of a referendum on the Crimean Constitution does not cancel its possible further approval by the Ukrainian parliament." He reiterated that "there are no grounds for the transfer of either the date for the local elections in the Crimea or the holding of the Crimean referendum".

The local elections in the Crimea are planned to be held on June 25, together with the referendum.

Crimean Parliament Modifies Agenda of Referendum

LD0405144595 Moscow ITAR-TASS in English 1256 GMT 4 May 95

[By Lev Ryabchikov]

[FBIS Transcribed Text] SIMFEROPOL, May 4 (Itar-Tass)—The Crimean parliament has complied with Kiev's request by modifying questions put to a referendum scheduled on June 25. However, the Crimean parliament rejected the demand to cancel the referendum altogether.

The parliament looked into a protest made by Ukraine's general prosecutor who suggested rescinding a resolution on holding a nationwide referendum in the Crimea as running contrary to the Ukrainian legislature in effect today. The Crimean parliament partially met the prosecutor's demand, excluding from the agenda of the referendum the question whether the population supports the Ukrainian law on the Autonomous Republic of the Crimea of March 17, 1995. Now that the agenda of the referendum was amended the only question left for Crimean residents to answer is whether they approve of the constitution of the Republic of Crimea of May 6, 1992, unilaterally abolished by the Ukrainian parliament on March 17, 1995.

Before putting the agenda of the referendum to the vote, Chairman of the Crimean parliament Sergey Tsekov told lawmakers that on Wednesday he had talked with the chairman of the Ukrainian parliament Oleksandr Moroz. The Ukrainian speaker warned that if the Crimean parliament did not cancel the referendum, Kiev would use its authority to cancel it. As for the law on the division of powers between Kiev and the Crimean autonomy, Moroz believes that this will be possible after the Crimea adopts a new constitution. However, the Crimean parliament wants to resolve this problem otherwise: first, it wants a law on the division of powers and then adopt a new Crimean constitution on the basis of this law.

Kuchma Blames Crimean Leaders for Separatism

LD0405183195 Kiev Radio Ukraine World Service in Ukrainian 1500 GMT 4 May 95

[FBIS Translated Text] Crimea is another manifestation of separatism. Ukraine's President Leonid Kuchma made this statement in Rome while answering questions from journalists of a number of editions, primarily Russian ones, on the legitimacy of the measures taken by the president and the Supreme Council of Ukraine in relation to Crimea. He pointed out that today the world, Russia included, has a bitter lesson in connection with the manifestation of separatism. Without going into detail, Kuchma said: I am convinced that Ukraine has taken quite enough opportunities to make Crimean separatists display commonsense and to call on them to work within the legal framework of Ukraine in compliance with the international law. The blame for the fact that this did not help falls on Crimean leaders. Where is Crimea registered as a state, Kuchma asked in response.

Resignation of Local Authorities Called For

LD0405185495 Kiev UNIAN in Ukrainian 1440 GMT 4 May 95

[FBIS Translated Text] Simferopol—"The incident with the shooting on the Crimean Supreme Council chairman's car illustrates the state authorities' attitude towards Crimea's parliament," Serhiy Tsekov, Crimean parliament speaker, told a parliamentary session on 4 May. Because of this, he said he could not work "honestly and honorably".

Crimea's government and the chief of Ukraine's internal affairs main directorate in Crimea "should muster their courage and resign, if they are not strong enough to stay away from politics", Tsekov said.

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In a speech to the session, Vitaliy Kyrychenko, head of the Ukraine Internal Affairs Ministery main directorate in Crimea, rejected groundless accusations and pledged that he would "defend the honor of every militiaman". In Crimea, "freedom exists only for the deputies", he added.

Tsekov Believes Shooting Incident Has Political Motive

LD0405202795 Moscow INTERFAX in English 1740 GMT 4 May 95

[FBIS Transcribed Text] SIMFEROPOL, May 4 (Interfax - Ukraine)—Crimean Parliamentary Chairman Serhiy Tsekov believes that the April 30 incident with his office car "showed the authorities' attitude, including the police, to the parliament as such."

Tsekov's car was shot at by the traffic police when the driver did not stop at their demand. Tsekov himself was not in the car at the moment.

Tsekov commented on the incident at a Crimean parliament's session Thursday while discussing a report by Deputy Prime Minister Arkadiy Demidenko and the head of Ukraine's Main Territorial Department for Crimea, Vitaliy Kirichenko, on admittance to the parliamentary building.

The building temporarily hosted the residence of Crimean President Yuriy Meshkov whose powers were suspended by the Ukrainian parliament on March 17, 1995. The Crimean parliament decided to hear the report, because a number of deputies had blamed Demidenko, the head of a special commission for abolishing presidency in Crimea, for exceeding his powers as Meshkov's staff were denied admittance to the building.

Tsekov described firing at his car as "an outraging fact" and called on the Crimean government to resign, if it "cannot but be involved in politics."

Tsekov emphasized that he would not like this case to receive publicity. He said he would not like to resemble Crimean Prime Minister Anatoliy Franchuk who reports threats in his address. "After this, they expect vacationers to come to Crimea...," Tsekov added.

Answering deputies' questions, Kirichenko emphasized that "there has been no attempt." "To check cars is a forced measure, moreover when their drivers break the traffic regulations by exceeding the speed limit," he said.

Meshkov on Conflict With Ukraine

954F2213A Moscow MOSKOVSKIY KOMSOMOLETS in Russian 27 Apr 95 p 2

[Interview with President of Crimea Yuriy Meshkov by unidentified correspondent; place and date not given: "Yuriy Meshkov: 'Nothing Remains Except Responsibility'"]

[FBIS Translated Text] Against the background of the hectic activity displayed by the Supreme Council of Crimea in the restoration of the sovereignty of the peninsula, the active manifestations of another main character—President Meshkov—go completely unnoticed. He is conducting himself uncommonly dutifully: He surrendered his own weapon and gave up his guard detail, personal vehicle, and government communications without any objections.

No, he did not run away. Every morning, as usual, he comes to his work office and receives information about everything that is happening on the peninsula. There is one secretary in the reception room and one militiamen behind a little table in the corridor. And so, these are all the presidential attributes. But on entering the office you realize immediately that he has not renounced his principles: Behind the chair in which Meshkov sits is an unfurled Russian flag.

[MOSKOVSKIY KOMSOMOLETS] Yuriy Aleksandrovich, a presidential group from Kiev is in Simferopol now, the procurator general among them. It is said that he came in order to carry out the Supreme Council of Ukraine's request concerning the instigation of a criminal case against you. Has he not disturbed you yet?

[Meshkov] I think that the Supreme Council request will be received by the Procurator General of Ukraine with attention and interest. It is another matter how this will square with generally accepted norms and legislation in force. It is difficult to say how far the procurator general will go outside the scope of legislation. There have already been attempts at pressure on the part of the procuracy and demands to give testimony. But it has gone no further than this yet.

[MOSKOVSKIY KOMSOMOLETS] You have been deprived of a guard, your communications have been cut off—but has there not been any attempt to evict you from your work place as a president "who is not performing his duties?"

[Meshkov] No, such attempts have not yet been made.

[MOSKOVSKIY KOMSOMOLETS] How do you assess the reaction of the Russian Government to what is happening in Crimea?

[Meshkov] Enough has already been said in this respect by the State Duma and public organizations. What can be added to this?

[MOSKOVSKIY KOMSOMOLETS] But are you counting on some kind of support on the part of the executive authorities of Russia?

[Meshkov] There are momentary political interests, and then there is what is called state strategy. It is difficult to say beforehand which is predominant now—momentary interests or the strategic interests of the state.

[MOSKOVSKIY KOMSOMOLETS] There were plans at the end of March for your appearance in the State

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Duma of Russia, and a news conference was even scheduled. But you did not go. It is said that the Russian Government asked you "not to appear" during the Ukrainian-Russian negotiations...

[Meshkov] No, there were no such requests. The visit was planned, it was the usual continuation of previous visits to Moscow, and it was not associated with any kind of extraordinary circumstances. Extraordinary circumstances were indeed caused by the actions of the Ukrainian Supreme Council. Starting 17 March I was deprived of communications, a car, and the opportunity to fly. Russia's interference was not required—everything necessary was done by the Ukrainian leadership.

[MOSKOVSKIY KOMSOMOLETS] Yuriy Aleksandrovich, judging by the reaction of Crimeans, not too stormy, it did not make much difference in principle to ordinary citizens of Crimea what happened with the president of Crimea, the Supreme Council, and even the government...

[Meshkov] I cannot agree with you. It is another matter how they display their attitude. This attitude was also expressed before 17 March—I can speak with confidence about this, because I visited all of Crimea's large cities. It is even startling how the people are reacting—given the fact that the collapse of the Crimean economy is occurring and that many are living below the poverty line. This is a gigantic responsibility, which is growing 10-fold after these contacts. Therefore, there is support, and it is more tangible than it was possible to assume.

Why are there no rallies, demonstrations, or processions? Because from the very beginning I myself requested this and, using my influence in the sociopolitical structure, did everything to prevent them. Because in addition to the conventional Ukrainian armed formations with which the Crimea is now packed (their number has increased by a factor of 30—from 2,000 to 68,000), there are now another 400 persons from special purpose forces here. All this was prepared in order to exploit the situation for power interference. In order not to permit this, it is necessary to refrain from mass speeches.

[MOSKOVSKIY KOMSOMOLETS] You adopted a position of marking time, and Russia also is not particularly pressuring Ukraine—it turns out that the Ukrainian authorities have a certain "carte- blanche" and can act at their own discretion...

[Meshkov] This does not mean that we have resigned ourselves and are waiting to see what will happen. But the power is on the side of Kiev. If you bring the people out onto the streets and agitate them—they will be suppressed by force. A dozen explanations will be found to justify this. We cannot rely on force; therefore, all that remains... It is not said without reason that the weak need the law.

[MOSKOVSKIY KOMSOMOLETS] Yuriy Aleksandrovich, does Crimea need a president who does not rule but only represents the state? After all, since September you have been deprived of practically all power, and they have begun to call you "the queen of England..."

[Meshkov] Such a comparison cannot hurt me. But of course it is necessary to have a president who heads the executive structures. Reformation of the economy is objectively necessary, and herein lies the essence of the conflict that has emerged on the territory of the entire former Soviet Union. It was necessary to bring the management structures into conformity with the new economic demands. I indeed tried to do this, but the opposite result transpired temporarily. The fact that the president of the Republic of Crimea was deprived of powers had a negative effect on the republic's economic situation. This became so obvious and graphic that a demand was expressed at meetings to return the government to Saburov. The implication of this: Return power to the president.

In order for me to implement my preelection promises, a certain scope of powers was required. Responsibility is continued even now, when nothing remains except responsibility. Everything that I am undertaking now I will undertake tomorrow, and as before I answer to the people of Crimea for everything.

[MOSKOVSKIY KOMSOMOLETS] And what will you undertake tomorrow?

[Meshkov] Everything possible within the framework of the law in order to restore the trampled rights of the individual.

[MOSKOVSKIY KOMSOMOLETS] Do you intend to announce a referendum?

[Meshkov] This is a demand that the voters expressed in complete conformity with the law. It was supposed to have been conducted, but the Supreme Council prohibited the conduct of a referendum by imposing a moratorium. But it is incumbent that it be held, because such a requirement exists and is recorded documentarily. The question is not whether to conduct it, the question is—when.

[MOSKOVSKIY KOMSOMOLETS] And when?

[Meshkov] This is a question of political tactics. At the time when conditions are most favorable.

Economic Issues

Russia To Continue Gas Supplies to Ukraine

LD0505104095 Moscow ITAR-TASS in English 1013 GMT 5 May 95

[FBIS Transcribed Text] KIEV May 5 (Itar-Tass)—Ukraine has been on the verge of cutting off gas supplies to its population and factories these days as its debt for the gas imported from Russia piled to a critical high.

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The debt to the Russian joint-stock company "Gazprom" was 445.5 million dollars by the end of the first quarter of 1995 and 550 million by May 1, Business-Tass was told in the Ukrainian energy ministry.

The ministry also said Russia had not curtailed recent gas deliveries to Ukraine, although it had the right to export only volumes which are paid for.

The Ukrainian government is soon to issue a decree which will order factories to pay 80 dollars for 1,000 cu.m. of gas.

Of this bill, 68.7 dollars will be used to pay to Russia, and the balance will go to organisations which transport and distribute the gas in Ukraine.

Kuchma Signs Ruling on Tighter Financial Discipline

LD0305200095 Moscow INTERFAX in English 1903 GMT 3 May 95

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] KIEV, May 3 (Interfax-Ukraine)—Ukrainian President Leonid Kuchma signed a decree on tighter discipline in implementing the country's budget.

Under the document, the president alone will be entitled to submit to parliament bills leading to additional spending or reduced budget revenue.

The government will not consider any requests for additional appropriations unless there are calamitous consequences involved.

Credits will be guaranteed only by the government if so requested by the Currency Crediting Council with clearance from the Finance and Economy Ministries.

The decree calls for taking stock within a month of all state guarantees given since 1992. The use of credits given with government guarantees will be analyzed in May.

International agreements which increase the state debt will have to be registered in the Finance Ministry.

Ministries and agencies are to submit monthly profit reports.

Kuchma earlier had signed a decree on payments to the Ukrainian state economy which defined the procedure for transferring revenue to the state budget.

Kuchma Edict Aims at Stricter Government Spending

LD0405191895 Moscow INTERFAX in English 1518 GMT 4 May 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Leonid Kuchma has signed a decree on measures to strengthen the financial discipline in implementation of Ukraine's state budget.

In line with the document, all bills envisaging additional expenditures or the reduction of the revenues are to be submitted to parliament exclusively by the Ukrainian president.

The Cabinet is forbidden to consider any requests for additional means, except in cases associated with emergency situations, says the decree.

Guarantees under credits will be granted only by decision of the Cabinet of Ministers and by permission of the Currency-Credit Council given the positive decision of Minfin and the Economics Ministry.

The decree envisages a monthly inventory of all earlier provided state guarantees since 1992. In May it is planned to consider the efficiency of the use of credits received under the government guarantees.

The document says that international treaties will also be registered in Minfin.

The ministries and departments are obliged within a month to report to Minfin about their profits.

On March 16 President Kuchma signed a decree on measures to normalize the payment discipline in the national economy of Ukraine, which determines the schedule of payments transfer to the state budget.

Absence of Plan Impedes Creation of Property Ministry

WS0505083895 Lvov INFOBANK in English 0701 GMT 5 May 95

[From the "News Service" feature]

[FBIS Transcribed Text] On the evening of May 3, a conference on the necessity to create a Ministry of Property and the Management of Corporative Property Rights took place in the Cabinet of Ministers. According to preliminary proposals, the basic function of the new ministry should be the management of the state shares of the corporative sector of economy. It is predicted that the ministry will create joint enterprises, transnational corporations, holding companies, and financial-industrial groups with the inclusion of state shares.

Vyacheslav Botvinov, head of the Economic Reform Department of the Ministry of Economy, stated in his interview with INFOBANK that he considers that there are three main obstacles to the creation of a Ministry on Property: The absence of a general plan for managing the economy, the lack of a skilled staff to work in the new ministry, and the uncompleted task of determining the tasks and functions of the Ministry. The participants in the conference in the Cabinet of Ministers decided to form a working group consisting of representatives of the Supreme Council, Ministry of Finances, Ministry of

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Economy, State Property Fund, Antimonopoly Committee, and Ministry of Justice. This group should determine the functions of the Ministry on Property. According to Vyacheslav Botvinov, during the conference in the Cabinet of Ministers, there were no objections to the creation of a Ministry on Property, as the State Property Fund is overworked. But the conference emphasized the contradictions of legal character, connected with the fact that the State Property Fund is designated by the Supreme Council, while the newly-formed Ministry will act in the sphere of governmental competence.

State Unemployment Compared With World Bank Numbers

WS0505092795 Kiev UKRINFORM in English 0710 GMT 5 May 95

[From the "Business News Weekly" feature No. 17, 24-30 Apr 95]

[FBIS Transcribed Text] According to figures furnished by the Ukrainian Statistics Ministry, 0.31 percent of Ukraine's working population (or 86,600 people) were unemployed in the first quarter of this year.

Out of them, 42.3 percent are 28 years of age and younger, 70.3 percent are women, and 44.1 percent were formerly employed.

The highest unemployment rate—1.23 percent—was reported in Ivano-Frankovsk Oblast, while the lowest—0.04 percent— was reported in Kiev and Sevastopol.

Meanwhile, the number of vacancies available as of April 1 was 143,000.

However, figures from an investigation carried out by the World Bank suggest that the actual unemployment rate could be between 3-6 percent, while the "hidden unemployment" rate could be up to 35 percent.

The World Bank's officials say their "hidden unemployment" figures include officially employed people who are currently on unpaid leaves or are receiving minimum wages (10 percent of the officially employed population), women who are on maternity leave (6 percent), people working shorter hours (14 percent), and workers who receive the minimum wage (5 percent).

The minimum wage, which is less than 60,000 karbovantsi, is less than the amount needed to stay above the subsistence level. Directors of enterprises say workers receiving such salaries are retained basically for social, and not production reasons.

The death rate in the first quarter of this year was 16.6 per 1,000 people (the figure was 15.8 in the first quarter of 1994), while the birth rate for the quarter was 9.9 per 1,000 (9.8 in 1994).

Cabinet Approves Program for Copper Production

WS0505083795 Lvov INFOBANK in English 0701 GMT 5 May 95

[From the "News Service" feature]

[FBIS Transcribed Text] On May 4, a complex program for the development of an industrial base for the production of copper, its alloys, and semi-processed copper was approved in a statement of the Cabinet of Ministers of Ukraine. The program foresees the inclusion of all secondary resources with copper and its alloys into processing, technical renovation of enterprises of the copper industry of Ukraine, activation of new capacities, and geological evaluation of copper stocks in the territory of Ukraine. The control over the fulfillment of the program is the responsibility of the Ministry of Industry of Ukraine.

Plan Explained for Aid to Low-Income Families

WS0505084595 Kiev UKRINFORM in English 0702 GMT 5 May 95

[From the "Current Events" feature]

[FBIS Transcribed Text] On Thursday, May 4 a briefing was held for journalists at the Cabinet of Ministers in Kiev to explain the government's program of subsidizing the population's dwelling rent payments vis-a-vis the steeply raised tariffs for rent, communal services, and public amenities.

The briefing was conducted by Mykola Noshchenko, deputy minister for the population's social protection, and Mykola Rul, deputy chairman of the State Committee for Housing and Communal Services. According to the two officials, the government's scheme proceeds from targeted monetary aid to be rendered to low-income families, as well as from the assumption that presently the bulk of Ukrainian families belong to the low-income bracket.

This pecuniary aid will be rendered through specialized services to be established under each local Rada's [council] executive committee.

The subsidy program was said to be closely linked to the crucial issue of introducing household meters to measure the population's consumption of such expensive resources as natural gas, water, and electricity. The latter issue is reportedly hampered by shortages and too high prices for meters in Ukraine.

Tu-334 Aircraft Under Construction in Kiev

LD0405210995 Moscow ECONOMIC NEWS AGENCY in Russian 1330 GMT 4 May 95

[FBIS Translated Text] The first fuselage of the prototype Tu- 334 passenger aircraft has been assembled at the Kiev state aircraft works, the Economic News Agency reported on 4 May. The assembly was carried out using modern modular technology, which will speed up

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certification procedures in the future. The first fuselage is intended for fatigue tests; the next one, which will fly, has also been assembled.

The Tu-334 is based on the basic 102-passenger model of the Tu- 334-100 aircraft fitted with new D-436T1 engines made by the Progress works that considerably reduce fuel consumption. The new aircraft will be able to carry passengers and freight on routes up to 3,000 km at a speed of 820 km/hr. It will have modern navigation equipment using composite materials. For the project to be profitable the works will have to produce and sell 30 aircraft per year.

The new aircraft is intended to replace the CIS countries' fleets of Tu-134 and An-24 aircraft that will reach the end of their design lifespan in the next few years. Serial production of the Tu-334 is scheduled to begin in 1996.

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Belarus

Lukashenka on Russian Ties, Integration in Belgorod

WS0405140495 Minsk Radio Minsk Network in Belarusian 1200 GMT 4 May 95

[Interview with President Alyaksandr Ryhoravich Lukashenka by unidentified correspondents in Prokhorovka, in the Belgorod Region of Russia, during celebrations devoted to the opening of the Victory Monument on the Prokhorovskoe Pole battlefield; date not given—recorded, in Russian]

[FBIS Translated Excerpt] [Correspondent] Alyaksandr Ryhoravich, you participated in a very emotional event today—judging from the strength of emotions and tension. What are your impressions?

[Lukashenka] It was not only an emotional event, but also a critical event for our people. You know in what mood I am, I imply the movement of people toward one another. Such uniting trends are very important. This event is an additional impulse to unite the people, their desires. Perhaps you yourself saw how the Belarusian delegation was received today. Therefore, for me, this emotional event was very important. It once again confirms the inclination of the Russian people and of representatives of other people, who were present there, to live together, in fraternity. [passage omitted]

[Correspondent] What does celebrating the 50th anniversary of the Great Victory [in World War II] imply to you?

[Lukashenka] The 50th anniversary of the Great Victory is a great event. It implies remembered those who perished and those who are still alive. For me, as a politician, it is a very important time for my politics, for the policy of holding a referendum, to be sincere. Have a look at the election battles. As for me, I have left political battles in their pure form. I am on the sidelines of political battles, or above all these political emotions, ambitions, and political movements. Nevertheless, agree that these events will not only affect our life strategically, but also affect it in tactical terms.

As for strategy, I have already talked about this, it is a uniting trend. Such events draw our people together. It is correct, because it is the Soviet people who won the victory. It implies much more than the Russian people, or the Belarusian people. It implies all the peoples of the former Soviet Union.

[Correspondent] Alyaksandr Ryhoravich, you discussed issues with Oleg Soskovets [first deputy prime minister of the Russian Council of Ministers] and you remain close to the Belgorod State Duma chairman. You could not have missed the chance to discuss issues in favor of Belarus.

[Lukashenka] Of course, we have a lot of problems. Simply, I did not want to speak about this, because an unfavorable impression could emerge that I take advantage of any case to resolve economic issues. Of course, we had a talk. I must tell you one thing: Before, quite a few sides, particularly the Russian side, reproached us for failure to observe agreements and for the failure to pay debts. Indeed, under Vyacheslav Kebich's term in office, we amassed $400 million in debts. We still have them. Since that time, however, since August of last year, we have not amassed any debts, not a penny, to Russia. It is Russia that is our debtor now! The primary issue is that the Russians should settle their debts to our enterprises, particularly to defense industry enterprises. We discussed the issues of Russia's commitment to the concept of our agreements. The concept is very simple: We, in Belarus, meet Russia half-way and Russia also meets us half-way, by placing demands on Belarusian enterprises that are similar to those placed on Russian enterprises, without any discrimination against us. I heard Oleg Nikolayevich say: We intend to—irrespective of how difficult it is for Russia—fulfill agreements reached by the two presidents. This was also a subject of the discussion, it was indeed seriously discussed. If we resolve this issue, in addition, if we resolve this issue on time, I must admit, it will be easier for us.

Prime Minister Comments on Belaya Vezha Agreement

LD0405201795 Moscow INTERFAX in English 1740 GMT 4 May 95

[FBIS Transcribed Text] MINSK, May 4 (Interfax-West)—Belarusian Prime Minister Mikhail Chyhir said that the collapse of the USSR should not be regretted.

The Belaya Vezha agreement on creating the CIS is a "demand that was made in high time and a unique opportunity to save what has not yet completely collapsed," he said.

Chyhir said when visiting the Belarusian Republican Hospital for Disabled Veterans of the Great Patriotic War today that though the Constitution guaranteed free medical assistance he was in favor of making people pay for 10 percent of the fund for beds in medical establishments so that a higher level of medical assistance can be ensured.

Chyhir said there were enough people in Belarus who could pay for such services. He said the money could be spent on raising wages for medical staff and providing more medical assistance for the least well-off categories of the population who enjoy free medical assistance.

Chyhir said the government had managed over the last two months to raise the average wage in Belarus from $20 to $60 a month. He said retail sale prices for food products and the majority of industrial goods would remain stable in May. Chyhir said prices could be raised only for alcoholic beverages.

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Prime Minister Comments on Customs Union With Russia

LD0405202895 Moscow INTERFAX in English 1740 GMT 4 May 95

[FBIS Transcribed Text] MINSK, May 4 (Interfax-West) - Belarussian Prime Minister Mikhail Chyhir told Interfax today that the term for the implementation of the Belarussian-Russian agreement on a customs union could be put off for about two weeks.

Chyhir said the document had been signed in Minsk by the heads of the two countries' cabinets on January 6, 1995. The term for carrying out the first stage of the agreement will expire on May 6, he added. During the first stage the countries must facilitate the customs regulations for crossing the border.

Chyhir said that by May 9 Belarus would ease the customs pressing towards individuals and their cargoes crossing the Belarussian-Russian border by railway transport and planes. He said Belarus could in the near future also simplify the customs regulations concerning trucks crossing the Belarussian-Russian border.

Deputy Chairman of the Belarussian State Customs Committee Aleksandr Derevyashko said the facilitation of the regulations meant that cargoes would not have to be specially declared for crossing the border. A standard document indicating the content of cargoes and the route will suffice. Derevyashko said he believed that this would be in the interests of both countries.

He said, "The border between our republics still remains as well as the customs territories of the two countries."

Derevyashko said that time would be required to create the customs union.

Belarus Defense Minister Writes for VE Day

MM0505085895 Moscow KRASNAYA ZVEZDA in Russian 4 May 95 p 2

[Article by Colonel General Anatoliy Kostenko, Republic of Belarus defense minister, under general heading: "Victory Is Our Common Destiny, Our Common Memory, Pride, and Glory"]

[FBIS Translated Excerpt] [passage omitted] The republic has done a lot to strengthen peace and stability on earth in postwar years. In building a new sovereign state the Republic of Belarus relies on deep historical traditions of friendship and cooperation with all peoples of a once single state. We proceed from the premise that right now the danger of a large-scale war in Europe has been substantially reduced and at the same time there are objectively contradictions generated by the divergence of different states' geopolitical and strategic interests. Unilateral disarmament given the drastic expansion of the borders of the NATO bloc could lead to an alteration of the balance of forces and create preconditions for the expansion of the objectively existing contradictions by military means. That gives rise to the need for a more thoughtful approach toward the creation of our own army and toward questions of international military cooperation.

Creating an effective and modern army out of the military grouping bequeathed to Belarus after the collapse of the USSR and the disintegration of the Warsaw Pact countries' military organization is perhaps a task with no analogue, but we have no choice. We are building our own armed forces capable of ensuring the state's sovereignty and territorial integrity. To this end we are improving the army's structure, developing in a balanced manner all branches of the armed forces, optimizing the management of the troops and the Defense Ministry's activity, completing the elaboration of fundamental documents on the army structures' activity, and creating groupings of troops capable of fulfilling their set tasks in full. The reform of the armies and divisions into corps and brigades has been completed, reserve units of arms, equipment, and stores of materiel are being created. In the period 1992-1994 some 1,219 formations, units, and institutions were reformed, and the numerical strength of the armed forces was reduced by 64,000 servicemen and 8,800 workers and employees.

Measures to further improve the national security system in the military sphere include bringing the organizational and staff structure into line with the minimum defense sufficiency; rearming the troops with highly effective state of the art systems and complexes of arms and military equipment; creating an integral system of military education to train military cadres of all levels; developing military ties with the CIS countries; and expanding and deepening contacts with countries of the far abroad. In the course of 1995 it is planned to switch to the territorial principle of staffing the troops, which will make it possible not only to reduce expenditure but also to increase the responsibility of executive power of all levels for the quality of training and the drafting of young men to serve in the army. This year we plan to disband 54 formations, units, and institutes and to reform 228, as a result of which the armed forces will be reduced by 16,000 men and by 1 January 1996 their total numerical strength will be 100,000.

In international military policy the priority avenue for the Republic of Belarus is the development and deepening of military cooperation with the CIS countries within the framework of the collective security treaty. We are convinced that the steps we are taking to preserve a single CIS geostrategic space will serve the cause of peace and stability in Europe.

Lukashenka Using Referendum To Ease Parliament Ties

WS0405122295 Minsk ZVYAZDA in Belarusian 26 Apr 95 pp 1, 3

[Article by Valyantsin Zhdanko: "Nobody Doubts the Course Toward Economic Integration With Russia Will

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Be Supported. Strong Support, However, Will Imply the President's High Responsibility for This Course"]

[FBIS Translated Text] The third question to be included in the [15 May] referendum—on support for the president's actions aimed at strengthening our economic integration with the Russian Federation—is apparently a sure bet for [President] Alyaksandr Lukashenka. No political force is currently opposing tight economic relations with our powerful neighbor to the east. Even the most relentless opposition members from the national democratic camp do not denounce these relations.

Then why did the president put a question, the response to which is apparently obvious, on the referendum?

It is very likely that Alyaksandr Lukashenka will use the positive response received in this way as a trump card in his relations with a new parliament, which may not be smooth. In case of a severe conflict, popular support for the president's foreign policy may become an efficient lever to exert pressure on a new Supreme Soviet, and not only with regard to foreign policy problems. Provided there are efficient attempts by legal and propaganda services, the results of the referendum may be interpreted in a broader sense than that of the issues defined in the question. For example, they can be used as proof of nationwide support for the president's policy as a whole, which, by the way, is possible, and will be used by Alyaksandr Lukashenka in the near future.

This question, however, is potentially able to secure more than just a moral victory and popular support. It will also burden the president with an additional load of responsibility for the efficiency of Belarusian-Russian economic relations, and the president will receive carte blanche to establish as tight relations with Russia as he wants. In the future, it may also become a particularly high bill, for which Alyaksandr Lukashenka will have to pay if delays or failures occur.

It is clearly visible that economic relations between Belarus and Russia are currently going through hard times. Neither the Kebich government nor the current Chyhir government have been hampered in implementing the declared strengthening of economic relations with our Russian partners in full. There are many void and futile talks about the need to restore severed ties with Russia. In fact, our former ties have disappeared forever, along with the socialist economy. Slogans and appeals for their restoration are nothing but a myth, which is currently being crushed. New ties must be established, moreover, on a new market-like basis. Nobody will make Russian consumers buy expensive and low-quality Belarusian products, only because they have been purchasing them for the last 40 years, and because they are made by brotherly Belarusians. The Russians now have a choice: For their own petrodollars, they rightfully prefer to buy high-quality and reliable goods, which, as a rule, are made west of the Bug river.

In my opinion, a critical period in Belarusian-Russian economic relations is yet to come. In this regard, the referendum on our integration with Russia initiated by Alyaksandr Lukashenka is not only a clash with political opponents—won in advance—but also a test the president arranged for himself.

The fact that the test will not be easy can be confirmed by the current status of Belarusian-Russian relations, which are far from idyllic, the Russian side's dawdling with regard to the implementation of certain bilateral agreements, and some recent developments. In this regard, Alyaksandr Lukashenka very illustratively commented on a recent letter from Russian Prime Minister Viktor Chernomyrdin. He voiced his comments during a news conference aired by Belarusian television on 20 April, responding to a question from recently appointed editor in chief of ZNAMYA YUNOSTI, Ihar Hukowski:

"I strongly regret that Viktor Chernomyrdin signed this letter addressed to me without reading it. Apparently, the letter was sent to the president by [Russian Deputy Prime Minister] Aleksey Bolshakov—he is able to do that, and sometimes becomes confused. And Viktor Stepanovich signed the letter, which nearly resembles an ultimatum, without looking at it. As everybody knows, I have harshly reacted to this letter. This is first. Second, it does not include additional conditions; it simply raises certain issues, though these issues have already been resolved in Belarus—those concerning customs and other issues. I am surprised that the Russian authorities did not know about this—if they really did not know. Therefore, I am thus treating this letter reservedly. The only new issue raised in the letter is that the Russian side offers us 100 customs experts on the border with Ukraine, to close this border. So I am asking: Do you not trust our customs officers? Are we unable to close the border by ourselves? We are able to do that, all the more so, since, as you know, there are many marshes, lakes, and rivers in this region. It is easier to close this border than the border with Russia we once closed. We thus do not need additional Russian troops, border guards, or customs officers. If we have decided to integrate, we must trust one another. I think that we will come to terms in this regard with the Russian president, and that we will soon restore order in this area."

Oil Debts Viewed, Projects To Increase Supplies

WS0505100795 Minsk ZVYAZDA in Belarusian 27 Apr 95 p 1

[Report by Yuras Karmanaw: "Valyantsin Herasimaw: 'Fuel-Industrial Complex Mirrors the Economy'"]

[FBIS Translated Text] **The recent government press conference was devoted to issues related to providing Belarus with energy sources.**

In the words of Belarusian Power Engineering Minister Valyantsin Herasimaw, the Belarusian fuel-industrial complex is not going through its best times now. Winter problems this year, which were resolved with great difficulties, were followed by new hardships. "We have

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been put into pretty rigid frames regarding the energy sources purchases: For Belarus, their cost is nearing the size of the national budget for the year," Mr. Herasimaw said. The total amount of the energy debt is adding to the foreign debt, which has already amounted to more than 3.5 trillion Belarusian rubles. Curiously, 60 percent of this indebtness had been generated in 1994, and the rest 40 percent in 1995. As Mr. Herasimaw stated, in spite of resolutions issued by the Belarusian Government and the president, the problem of nonpayments is being resolved with difficulties. Last January, payments for the Russian energy sources accounted for 78 percent, in February 84 percent, in March 94 percent. In April, the situation with payments for Russian gas deliveries catastrophically worsened. Belarus paid for only 56 percent. Nonpayments of Belarusian consumers to Russia are compensated for by the Belarusian Government. Meanwhile, Russia's "Gazprom" resembles Santa Clause less and less: One of the demands presented to Belarus in a letter that was recently sent by Russian Prime Minister Viktor Chernomyrdin was for repaying last year's debt. In the words of Mikalay Macharnyuk, managing director of the Beldzyarzhpradpryyemstva [Belarusian State Enterprise] for gas transportation and deliveries, the debt to "Gazprom" for 1994 reached $409 million, and it has now started to grow.

A joint Russian-Belarusian commission has been set up to repay the Belarusian debt to "Gazprom." Different options are being examined: One portion [of the debt] is planned to be repaid with shares of Belarusian enterprises, another portion with raw materials, etc. In addition, the Belarusian side asked for extending the payment procedure. This, however, will only be possible if Belarus covers 100 percent of the current payments. The circle becomes vicious: "Gazprom" cannot wait (or does not want to), and the Belarusian side wants to pay for current supplies, but is unable to do so. Meanwhile, everyone knows only too well what sanctions "Gazprom" can impose: It can shut down the pipes on Russian territory and reduce gas exports to Belarus. In the words of Mr. Herasimaw, the "fuel-industrial complex is a mirror reflecting the condition of our economy and our social sphere."

Barys Batura, Belarusian minister of housing and municipal property, has to deal with social problems almost every day. In his opinion, the main problem is the complete absence of financing. The state budget allocated only one-third of the funds that this sphere needs to meet all of its needs. The ministry, however, did not receive even this allocated money. Mr. Batura sees a way out of this situation in increasing tariffs for housing and municipal services. "We have relayed our proposals to the Cabinet of Ministers, and I think that they will soon be adopted. In that case, the population will cover 40 percent of the housing and municipal costs. This will tide us over to the next heating season," he said.

However, not everything is so hopeless. Power engineering specialists pin great hopes on the projects that will soon be implemented in Belarus. As Mr. Macharnyuk noted, a project to build the gas pipeline "Yamal-West Europe" will be initiated this year. Mr. Herasimaw called this project the "Belarusian future, and Belarusians should be patriots supporting this gas pipeline project." The entire undertaking appears very impressive: 4,000 kilometers of the pipeline connecting Yamal [peninsula in northern Russia] and West Europe. As its Belarusian stretch will be 600 kilometers long, the transit inflow to Belarus will triple. This project, however, is expected to be financed by that same "Gazprom," because Belarus does not have its own money. This means that the pipeline will be Russian property and Belarus will not receive transit payments in full. One should also mention here Belarusian- Russian agreements concerning transits. Truth, "Gazprom" offered to build the Belarusian stretch of the pipeline at its own expense, and, in the words of Mr. Macharnyuk, Belarus could theoretically take the credit. But from whom? Considering what was said by the press conference participants, this question remains largely rhetoric so far.

On the other hand, it has already been reported that there are plans to lay 209 kilometers of the Belarusian part of the pipeline this year, running from Nyasvizh to the Polish border. Until 2010, Belarus could consume up to 30 billion cubic meters [of gas], compared to 14.5 billion cubic meters that we use currently, which will certainly promote the development of the Belarusian energy- consuming technical spheres. "Beltransgaz" will participate in the project on behalf of Belarus.

The project "Yamal-West Europe" is so far the most realistic for Belarus. There are, however, other projects intended to provide Belarus with energy sources. Asked by ZVYAZDA about the status of a project designed to build the Baltic-Black Sea oil collector, Anton Loyka, president of the "Belnaftapradukt" concern, said: "By the end of this year, the Kiev institute [not further specified] is supposed to present a feasibility study to Belarus."

Only after that, it will be clear whether or not Belarus should participate. According to rough estimates, construction of the Baltic-Black Sea oil collector will cost Belarus about $3 billion.

Moldova

14th Army Reorganization Driven by Reform

MM0405130595 Moscow KRASNAYA ZVEZDA in Russian 4 May 95 p 4

[Report by Nikolay Poroskov: "Fate of 14th Army Decided"]

[FBIS Translated Text] Of late there have been a variety of reports in the mass media in connection with the upcoming reorganization of the 14th Army. They have been supplemented by articles and statements by its commander, Lieutenant General Aleksandr Lebed, some of

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which Colonel General Vladimir Semenov, commander in chief of the Ground Forces, has called unethical.

Let us remind you that the 14th Army now includes the reduced-strength 59th Division (around 6,000 men) and a number of small units of Army and previously district jurisdiction. In other words, it dopeos not have the numerical strength of an army but it does have a staff comprising 177 servicemen and 42 workers and employees. According to Col. Gen. Semenov, the command of the 14th Army became unnecessary with the breakup of the unified USSR Armed Forces.

The decision to reorganize the command should not be linked with any political factors, with the tripartite talks between Russia, Moldova, and the Dniester Moldovan Republic [DMR], much less with relations between the Russian defense minister and the commander of the 14th Army, the commander in chief said. Reform of the formation is one of the organizational-staff measures planned by the General Staff.

The commander in chief acknowledged that much of the credit for the establishment of peace in the Dniester Region goes to the 14th Army's commander and paid tribute to his professionalism and determination. At the same time it was underlined that regardless of the position espoused by the Army's commander, its oversized command will be brought into line with the number of troops in the DMR. It is planned to leave an operational group of 97 servicemen and 30 workers and employees there. The chief of the operational group holds the rank of lieutenant general with a somewhat lower salary than that of an army commander. The concept of the "14th Army" will disappear.

The Russian Defense Ministry leadership has nothing against Gen. Lebed taking up the post of chief of the operational group of Russian forces in the DMR. But so far he has not agreed.

Regional Unrest Predicted Over 14th Army Withdrawal

LD0405204095 Moscow INTERFAX in English 1518 GMT 4 May 95

[From the "Presidential Bulletin" feature: by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] Moldova's defense ministry does not want to be dragged into political debate about the future of Russia's 14th Army and will honor its own obligations under the bilateral agreement on Russian pullout from Moldova, a defense ministry spokesman told Interfax on Thursday [4 May].

Major Viorel Ceubotaru says it is up to the politicians not the military to respond to current developments around the 14th army.

He believes all technicalities relating to the pullout can be resolved swiftly if there is political will. Amid speculations about Army Commander Aleksandr Lebed's possible resignation and departure from Tiraspol, the issue becomes all the more urgent, Ceubotaru said. And he added that the prospect of weapons falling into the hands of extremists in Tiraspol may cause fears in Cishinau.

In the meantime, officials in Cishinau predict a renewed flare up of tension in Dniester region after May 9 ceremonies. One Moldovan diplomat told Interfax that certain groups may take out to the streets in support of regional leader Igor Smirnov's call on local residents on May 1 saying they did not have to seize army arsenals because the weapons belong to them.

His view is echoed by a Moldovan intelligence source who predicts an outbreak of regional unrest following the Russian State Duma's recent resolution warning against the withdrawal of the 14th army, Defense Minister Pavel Grachev's directive on military staff redundancies and Lebed's recall as army commander, and "a drive by corrupt regional officials to lay their hands on army weapons".

General Lebed plans a news conference after May 6 to air views on the army's standing at the moment, Commander of the City Garrison Colonel Mikhail Bergman said. The 14th Army may get out of Moscow's control because of being disgruntled over its handling of army needs, a military source told Interfax. He said the servicemen were determined to defend their rights. The regional government's statements about a possible seizure of officers' accommodation following Russian pullout also fuel tension. The source said that after army reorganization, the officers may face the same fate as their Russian counterparts in the Baltic states.

"What happens in the 14th army is Russia's own affair", Vice Parliament Speaker Nikolay Andronik said in Cishinau. He said what Cishinau wants is the withdrawal of the 14th army as envisaged by the bilateral agreement. Andronik said current tension in the army was damaging to Russia's prestige, not Moldova's. In his view, "something unusual is going on in a state in which a whole army is seeking to get out of control."

Government Bans Student Rallies Until 6 Sep

LD0405174695 Moscow INTERFAX in English 1508 GMT 4 May 95

[FBIS Transcribed Text] CHISINAU, May 4 (Interfax)—Moldova has imposed a moratorium on strikes and mass rallies until September 6, 1995, acco ling to a protocol signed by the republic's nationwide strike committee and a special governmental commission in Chisinau Thursday [4 May].

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The month-long strike was suspended on April 15 to enable the commission and the strike committee to calmly consider the strikers' demands.

When mass actions were stopped in mid-April, it was agreed that students will resume them on May 4. According to the agreement, Chisinau students gathered at the city's central square Thursday.

Members of the strike committee informed the strikers of the protocol signed and the moratorium imposed on strikes and mass rallies until September 6, 1995. The protocol stipulated the strikers' social, economic and political demands and measures to be taken to meet them. In particular, the list of demands includes repayment of delayed wages, lower income tax, restoring students' privileges on public transport and impose a ban on keeping union dues without students' consent.

The Moldovan Government has already satisfied a part of the demands concerning delayed wages and committed itself to repay them all before September 1, 1995.

The strike committee expressed satisfaction at the initiative to rename Moldovan into Rumanian put forward by Moldovan President Mircea Snegur hoping that "parliament will agree to this amendment which will ensure the triumph of scientific truth." This was one of the strikers' main demands. According to the republic's Constitution, the initiative will be considered in parliament in six months.

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Kyrgyzstan

President Akayev Makes Declaration of Income

LD0405214095 Bishkek DELO NO in Russian 26 Apr 95 p 2

[FBIS Translated Text] Declaration of the income and properties of Askar Akayev, president of the Republic of Kyrgyzstan:

I am Askar Akayev, born in 1944 in the village of Kyzyl-Bayrak in Kemin District. In 1968 I graduated from the Leningrad Institute of Precision Mechanics and Optics as a qualified mathematical engineer specialising in computer technology. I am a doctor of technical sciences, a professor, an academician of the National Academy of Sciences, a member of the New York Academy of Sciences, an honorary member of the International Muslim Academy and of the Latin American Academy of Sciences.

In October 1990 I was elected president of the Republic of Kyrgyzstan. Before being elected to this post I worked as vice president and president of the Academy of Sciences of the republic and was a deputy of the USSR Supreme Soviet.

I state publicly that all of my past and present incomes and the properties and assets which are in my possession were obtained by me through honest and legal means. I hereby provide information about the sources of my income, including the incomes of members of my family.

1. My salary (gross income) is 3,474 soms a month. My academician's grant is 450 soms.

2. Members of my family:

My wife Mayram Akayeva: head of the Technology Department at Kyrgyz State National University. Her salary is 515 soms a month;

My daughter Bermet: works at the UN International Commmission in Geneva;

My son Aydar: a student at the Department of International Economics at the University of Maryland, USA;

My daughter Saadat: a pupil at the school for the children of UN personnel in Geneva;

My son Ilim: a pupil at grammar school No 6 in the city of Bishkek.

3. No member of my family owns any private company or occupies any post in the management of any company, bank or share-holding association.

4. My salary at my previous post (president of the Academy of Sciences, 1990), including academician's grant was 1,250 rubles a month. Since 1980 I have worked at highly paid posts corresponding to my status as professor and doctor of sciences (where average payments were 500-900 rubles per month).

5. Royalties (fees for authorship of published books): "Coherent Optical Computers," Leningrad, 1977 - 30,000 rubles; "Optical Methods of Data Processing", Moscow, 1988 - 16,000 rubles. As well as this, there were 80 scientific publications in central scientific journals and seven inventions for which royalties were paid.

6. I was awarded a Lenin Komsomol prize of Kyrgyzstan in 1977 for a series of research works on the development of mathematical theory for the thermal mode of ferrite recording systems for computers and their operational reliability.

7. My permanent residence is a four-room apartment of 70.8 sq meters in the city of Bishkek. The flat is on the books of the Geology housing administration, which I obtained in March 1986, when I was working as head of department at the Frunze Politechnical Institute (at present Bishkek Technical University). At present I have the use of a state residence in the village of Chon-Aryk.

8. On a plot of land (0.15 hectare) belonging to my close relative Gulay Akayeva, I am finishing the construction of a two-storey small house, which I started in 1986, in the village of Tash- Moynok, in Alamedin District. From 1986 to 1992, 108,245 rubles and 20 kopeks have been spent for the construction of the cottage, including on building materials—44,745 rubles; payment for construction and assembly works—63,500 rubles.

9. In my private possession I have a GAZ-2410 car, which I acquired in Moscow for 9,300 rubles through a USSR Supreme Soviet purchase order. (The car has been gifted to the "Manas" fund).

10. Articles of value which are in safe-keeping include—an MKEK pistol, a sports gun, and two inscribed sabres presented to me by heads of state.

Antique and other articles presented to me as head of state have been handed over to the Kyrgyz History Museum.

11. The total amount of money I currently have in my bank accounts is 155 soms [as received] (following the conversion of 30,782 rubles into the national currency). I have no private bank accounts outside the republic.

12. In terms of securities, I have privatization coupons, which I obtained in accordance with the regulations, in exchange for vouchers.

13. I have never had bank credits or loans, nor asked for credit for members of my family, relatives or acquaintances.

[Signed] A. Akayev.

Note: Bermet Akayeva gets a very good salary in Geneva. She gets benefit/allowance for her sister Saadat, who is at school and is there at her sister's expense. Aydar Akayev gets a grant and as well as this, financial aid from R. Sagdeyev, an old friend of the president and a professor at the university where Aydar studies.

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Editorial note: We are ready next to publish the declaration of Prime Minister A. Dzhumagulov and then of all members of the government, and so on.

Paper Notes Anti-Chinese Activity by Asaba Party

LD0505100595 Bishkek DELO NO in Russian 26 Apr 95 p3

[FBIS Translated Excerpt] Criminal proceedings against the chairman of the National Revived Asaba [Banner] Party (and now also a flourishing entrepreneur), Chaprashty Bazarbayev, have been dropped for a fourth time. Nothing is surprising about that. Life in our country shows that all of what we might call the extravagant acts (or near-crimes) committed in politics start out with a bang but ultimately go out with a whimper once their topicality fades. [passage omitted]

Here, in brief, is a chronology of the whole saga.

At about 2000 on 18 July a signpost with hieroglyphics on it was smashed at the Dragon (formerly known as the Wave), a Chinese restaurant in Novo-Pokrovka, not far from Bishkek. The person responsible for the incident, and his motives, were established without any difficulty. Chaprashty Bazarbayev had committed the act in defense of the language and sovereignty of the state. Members of the party say that such actions will continue. [passage omitted]

More interrogations produced more details, which by the end of the saga were painted in rosier tones. These details were of a political nature. Asaba party members say the method used was chosen to attract the attention of the authorities and public to "the Chinese world problem." "Ordinary citizens came to us and asked us to do this. The influx of Chinese people into Naryn Region and elsewhere may turn the republic into a province of China."

But what about the laws of the republic? We respect them and strive to make everyone observe them (in particular the law on the state language), the Asaba members say.

On 26 January, Interior Ministry investigator Ashirbekov submitted a resolution. The destruction of the sign, "although formally covered by the relevant article of the Criminal Code, is not a crime because the damage was inconsiderable." As for the article covering hooliganism, once again "Bazarbayev did not shout, swear, or yell out anti-Chinese slogans, and no impertinent or brazen behavior was established as having taken place." It follows that the case is to be dropped due to the absence of corpus delicti.

Another riddle is that it was the Interior Ministry's investigations department that requested the prosecutor general's office to overturn one of the series of "justificatory decisions" against Bazarbayev produced by the district internal affairs department. What are all these enigmatic moves? There is no answer yet. The prosecutor general's office is lost in thought. [passage omitted]

Osh Official Interviewed on Political Issues

LD0405212495 Bishkek DELO NO in Russian 26 Apr 95 p 7

[Interview with Bekmamat Osmonov, chairman of Osh Regional Council and deputy, by Svetlana Krasilnikova: "Rush Hour"]

[FBIS Translated Excerpt] Bekmamat Osmonov: I am not one to bear grudges, but I would never have ventured to use the name of Vladislav Listyev's [murdered Russian journalist] television program if he were still alive. However, "Rush Hour" will now be a regular feature in our newspaper, as a continuation of the idea started by our talented colleague: to introduce the public to people involved in politics and economics, the people the public are concerned about.

Today I am talking to Bekmamat Osmonov, who is a deputy in parliament and the chairman of Osh Regional Council. Some people see him as a second president of Kyrgyzstan. [passage omitted]

[Correspondent Svetlana Krasilnikova] Do you see yourself as a politician?

[Osmonov] Yes.

[Krasilnikova] Then please explain this to us. All my conscious life I have lived in Kyrgyzstan, but like most Russians I do not understand the heart of the North-South problem? Why is there so much noise surrounding it?

[Osmonov] First of all, north-south is geographical in origin.

[Krasilnikova] OK, but that is not a subject for strife or dispute.

[Osmonov] I agree. Secondly, it has historic roots. The various Kyrgyz tribes have had different types of conditions of historic development. In the 19th century they were divided into different khanates. The Junggar invasion divided the Kyrgyz people into two big wings.

[Krasilnikova] Sorry, but in my opinion that is not a subject for dispute or disagreement today, either. We are educated people on the threshhold of the third millenium.

[Osmonov] I agree. I see the substantial difference as being that the capital city is located in the north. The remoteness of the capital has left a certain mark.

[Krasilnikova] I am sorry I am being so abrupt, but you still have not been able to explain the essence of the problem briefly for me. Maybe you just do not want to speak about it openly or reveal what lies at its heart. May I tell you what my opinion is? It seems to me that the heart of the North-South problem is the question of power. Do I understand it correctly?

[Osmonov] Wrongly.

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[Krasilnikova] But what about all the talk; is it so important for the south that the republic's capital should be shifted to Osh?

[Osmonov] I, for example, do not see any great need for this, but in order to achieve equal economic development of the regions one might, for instance, have two capitals, following the experience of the South African Republic. For example, the executive authorities might be here in Bishkek while parliament meets in Osh. Southern Kyrgyzstan does, after all, account for over half the republic's population. This has to be taken into account, hasn't it?

[Krasilnikova] Well, is there a real possibility of solving the North-South problem?

[Osmonov]. The first issue which has to be solved is the establishment of a real democracy. The election of heads of administrations and ministers must all be conducted in a democratic way; in a real way and according to people's abilities. Take, for example, the Ministry of Internal Affairs: why does not one of the deputy ministers come from the south? Is that right or is it wrong?

[Krasilnikova] I...

[Osmonov] Hang on, I am asking you a question.

[Krasilnikova] To be honest, I am not that interested in where some leader or other comes from. We do not pay attention to that at all. For me, the main thing is a person's professional and moral qualities.

[Osmonov] That is the Russian approach. You do not pay attention to it. We do. What, aren't there any capable personnel in the south? Ambition is a feature of the nation. We have it! [passage omitted]

[Krasilnikova] Your attitude as a citizen to President Akayev's policies: is it positive, negative, or very negative? Pick one of these adjectives.

[Osmonov] Positive.

[Krasilnikova] What do you see as the main shortcoming in President Akayev's policy?

[Osmonov] A desire to be reappointed, have his term in office extended, by means of a referendum; that is wrong.

[Krasilnikova] Just that? (Here my interviewee fixes me with the kind of stare—well, in short, the Orient is a funny old place.)

Right then, another question. Would you like to be president?

[Osmonov] I am not prepared to answer that question. Time will tell.

[Krasilnikova] Fine. I will put it another way. Say tomorrow they announced the start of nominations for the presidency. Would you put your name forward?

[Osmonov] Let the people decide.

[Krasilnikova] You are evading my question.

[Osmonov] I said let the people decide. If the people nominate me and support me, then I am no worse than the rest...

[Krasilnikova] Let me make my question more detailed. Do you feel you have the strength and the desire to become president of your country?

[Osmonov] It is not my dream, and it is not my goal in life, but I will say that people like me can probably become even a president.

[Krasilnikova] Bekmamat Osmonovich, now for what is perhaps the most unpleasant question for you: There are reproaches, even accusations that money from the widespread sale of drugs in south finds its way into your pockets.

[Osmonov]. No. That is tittle-tattle! I would even call it cheap tittle-tattle. I regard that kind of approach as a failure to look into the future. The desirable deputy and the undesirable deputy, you know? Our president's major mistake is this: he artificially draws some personnel close to himself and drives others away. Overnight, someone who was his friend yesterday, who supported him yesterday, may find himself thrown overboard. Or sunk. To invent such nonsense! This tittle-tattle was made up in order to sink Osmonov, I can tell you.

Who was it who was dealing in arms yesterday? They were found out. Former Deputy Minister of Defense Moldoboyev, and others. They were found out. It is among them that you should look for the [Pablo] Escobar. There is none of that with me, there never has been and there never will be.

[Krasilnikova]. They say former state secretary [Dzhanysh] Rustenbekov was appointed head of administration of Osh Region especially in order to liquidate the Osmonov clan.

[Osmonov] He cannot do that, because I can tell you that we are people with a fair amount of experience. The people support us. I stand pure before the people.

[Krasilnikova] By the way, why don't you get on with administration head Rustenbekov?

[Osmonov] He has started ignoring me too openly and frankly. I am a person just the same as Rustenbekov is. Well, maybe I am a bit lower in rank. But as a person I am no lower than he is. The president likes him more than me, true enough. They are on good terms personally. But this does not provide grounds to squeeze Osmonov out.

[Krasilnikova] So Rustanbekov has openly started doing that?

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[Osmonov] Openly and in the worst of manners! I worked as head of the agricultural department, and he liquidated the organization. It had to be reorganized, I agree, but he liquidated it. A politician should not act like that.

[Krasilnikova] And do you consider Rustanbekov a politician?

[Osmonov] No. A politician must be distinguished by a highly cultured and civilized manner. But that one does everything crudely. He composes various letters and collects signatures. Why does he regard me as his enemy? He himself says this openly. He'll say one thing to my face: let's work together, everything is OK - and then behind my back he says something else completely. I am not Rustenbekov's enemy. If he considers me his enemy, then...

[Krasilnikova] Then you sympathize with him. Am I right?

[Osmonov] Yes. I am not his enemy. If he wants to make an enemy of me, he will get one.

Tajikistan

Russian Commander: Tajik-Afghan Border 'Alarming'

LD0505063195 Moscow ITAR-TASS in English 0624 GMT 5 May 95

[By Galina Gridneva]

[FBIS Transcribed Text] DUSHANBE, May 5 (Itar-Tass)—A concentration of 300 militants with heavy armaments under the command of field commander Eshon Zukhur in the Varfad canyon, in the border area of Afghanistan, was described today as an alarming element of the overall situation by Lieutenant General Anatoliy Chechulin, commander of the Russian frontier guard troops in Tajikistan.

Thus, a direct threat is being created for frontier guard columns moving along the border, as well as for the garrison of the sixth frontier guard post of the Khorog frontier guard detachment, he stressed in an Itar-Tass interview. Chechulin said, at the same time, that in that area frontier guards have enough resources for repulsing any armed aggression. So far as other sectors of the border are concerned, the current situation continues to be tense there, but it is kept under control by Russian frontier guards.

Worsening Status on Afghan Border Profiled

954F2206A Moscow MOSKOVSKIYE NOVOSTI in Russian No 24, 9-16 Apr 95 p 10

[Article by Sanobar Shermatova: "New Allies in a Former War"]

[FBIS Translated Text] The situation on the Tajik-Afghan border began to deteriorate sharply as of 7 April. According to reports of the Federal Border Service, a group of Russian border guards moving along the border was this day shelled from the Afghan side with artillery. On subsequent days, the FSP [Federal Border Service] Press Office reports, the shelling of the border resumed in the zone of responsibility of the Khorog and Moscow border detachments. The Russian side's losses constituted over 20 persons killed. Major General Chechulin, commander of the group of Russian border forces in Tajikistan, accused the Tajik opposition of an intention to stymie the fourth round of inter-Tajik negotiations. The Ministry of Foreign Affairs of Tajikistan lodged a protest with Kabul in connection with the shelling of the territory of Tajikistan. On 9 April the Government of Tajikistan met in emergency session, and President Rakhmonov appealed to the United Nations with a request for assistance.

This turn of events had been forecast by the Russian military. Turadzhonzoda, a leader of the Tajik opposition, who had come to Moscow for the negotiations, warned of the danger of a combat engagement on the eve of the events.

According to him, in March the Russian side had moved out deep into Badakhshan dozens of kilometers from the Tajik-Afghan border a battalion of Russian border guards, which disarmed a Tajik opposition formation. The opposition delivered an ultimatum, threatening retaliatory measures. The confiscated weapons were returned, but the Russian command refused to return the battalion to its previous location. In this way the battalion "locked" in the Vanch and Yazgulem Valley an opposition grouping of field commander Zaynitdin numbering up to 150 men.

On 25 March the Tajikistan Islamic Revival Movement issued a statement, in which it warned that any provocation could pull the border guards and opposition formations into a confrontation. The battalion's return to its previous area of deployment figured as a condition of the fourth round of negotiations in Moscow at the time of the meeting between Akbar Turadzhonzoda and Albert Chernyshov, deputy minister of foreign affairs of the Russian Federation, on 4 April also. But everything remained as before. In a telephone interview with MOSKOVSKIYE NOVOSTI from Paris Akbar Turadzhonzoda declared that, according to his information, the Russian side had begun to bring in additional forces to assist the battalion, and Zaynitdin's grouping had attempted a breakout.

The present clash is threatening to upset the fragile state of "no war, no peace." Meanwhile, neither Russia nor the opposition have declared war on each other. Russia is recognized as the mediator between the Tajik official authorities and the opposition. The opposition recognizes Russia's interests in the region and has no objection to border guards of Russia, Kazakhstan, and Kyrgyzstan guarding the Tajik-Afghan border.

The peace process had recently returned to normal, it seemed: The Tehran cease-fire agreement has been in

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effect since last fall. The official authorities of Dushanbe held beneath the "umbrella" of this agreement presidential and parliamentary elections, consolidating their positions and ignoring the clauses of the agreement on a political settlement of the inter-Tajik conflict, which would create the conditions for a return of the opposition and the refugees to Tajikistan. Dushanbe officials have made the choice: no to political compromise with the opposition. As distinct from Dushanbe, the position of Russia is not so unequivocal. On the one hand it is a mediator at the negotiations, on the other, a warring party. The Russian border guards refer to the fact that the Tehran agreements, albeit signed under the aegis of the United Nations and with Russia's mediation, do not lay down the law for them. They are guided by the agreements on the guarding of the Tajik-Afghan border. This paradox conceals a by no means customary lack of coordination in the actions of the Ministry of Foreign Affairs of Russia and the military. In private conversation Russian officials make no secret of the fact that the opposition's return to Tajikistan would complicate the situation. The pro-Russian government of Emomali Rakhmonov is wholly to their liking. The arguments to the effect that new authorities, which would include representatives of the opposition regions also, would by force of circumstance have to recognize Russia's dominating role in the restoration of the republic's economy are swept aside by one, but perhaps the most important, argument. The spheres of influence in Tajikistan have in general outline been divided up, and those who control them will not voluntarily grant admittance to new pretenders. There is something to fight for: a mountainous republic with a 4 million-strong population which is rich in uranium and gemstone and mineral deposits.

There was a meeting on 3 April in Tashkent between President of Uzbekistan Islam Karimov and a Tajik delegation, which was headed by Akbar Turadzhonzoda, deputy [as published] of the Islamic Revival Movement. It will, evidently, be a turning point in the relations of Tashkent and the Tajik opposition. The parties agreed to forget their grievances, and, as Turadzhonzoda declared, the parties' assessments of the political situation in Tajikistan and around it coincided. The results of this meeting testify that Dushanbe has lost one of the principal allies which brought the present government to power. Such an abrupt turnabout in Tashkent's position is explained not only by Russia's increasing military presence in Tajikistan, which, together with the unpredictability of Russian policy, could represent a threat to the sovereignty of Uzbekistan. The Tajik events could in themselves pull into the conflict 22 million-strong Uzbekistan, in which Tajiks constitute the group of the population second in terms of numbers. Aside from concern about regional security and apprehensions regarding the military presence of Russia, a third factor is at work also: Uzbekistan would itself like to be predominant in the region.

The split in the camp of the allies is adding to Russia's concerns: All supply lines to Tajikistan and to the north of Afghanistan, to which Russia's interests extend, cross the territory of Uzbekistan. It cannot be ruled out that Tashkent could raise the question of the continuance of its battalion on the Tajik-Afghan border and participation in the coalition peacekeeping force. In the wake of Tashkent, there could be a change in the position of Bishkek and Almaty also.

A reassessment of the Tajik conflict is taking place in the international arena also, judging by the results of the trips of opposition leader Turadzhonzoda to Washington (in February) and Paris (in April). The United States is beginning to display an active interest in the entire Central Asian region. William Perry, head of the Pentagon, visited Tashkent recently. According to the agreements, the first group of Uzbek Army officers will set off for NATO army training centers to upgrade their skills. In addition, according to unofficial information, U.S. military specialists could be seconded to national army subunits to assist the formation of an operationally capable army. This fact could be of not so much military as political significance for relations between Uzbekistan and Russia, which does not tolerate competitors in the sphere of its interests, such as Central Asia is. Having started out as interethnic, the Tajik conflict could go beyond the bounds of the region and intensify as the military escalation increases. The next step, unless there are political concessions, could be merely hostilities in Badakhshan aimed at depriving the opposition of its last springboard.

Karimov Calls for Price Liberalization, Privatization

LD0405122595 Moscow INTERFAX in English 1115 GMT 4 May 95

[FBIS Transcribed Text] DUSHANBE, May 4 (Interfax)—Tajik Prime Minister Jamshed Karimov on Wednesday [3 May] called for the removal of state control of prices and foreign trade and for massive privatization to help revive the country's economy.

At a news conference in Dushanbe, he said the government had drawn up an appropriate program which was being agreed with IMF and EBRD [European Bank for Reconstruction and Development] representatives in Tajikistan.

Karimov spoke of wanting to seek a rescheduling of the country's foreign debt of $731 million, including $270 million to Russia, for a period of 45 years.

He said "for two and a half years we have been insisting on the unification of monetary systems with Russia and the Supreme Soviet ratified an appropriate agreement. But Russia has delayed asolution to this question and Tajikistan is having to introduce its own currency".

Karimov believes that non-industrial workers stand to benefit from the introduction of Tajik rubles while commercial structures will have to earn currency as an incentive for economic recovery.

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He says one Tajik ruble will equal 100 Russian rubles because the local banknotes of denomination of 1, 5, 10, 25, 50, 100, 500 and 1,000 rubles were printed earlier.

Karimov stressed the new measure would not mark a step away from economic integration with Russia.

Karimov: National Currency Introduction Necessary

LD0405190295 Moscow INTERFAX in English 1518 GMT 4 May 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] A switch-over to a national currency is the key to the revival and development of the national economy, Tajik Prime Minister Jamshed Karimov told Russian journalists in Dushanbe on Wednesday [3 May].

He said that the Tajik government has practically found a way out of the deep economic crisis which had lasted for the past three years. The Cabinet's main tasks are the liberalization of prices and foreign trade, and massive privatization, he said. A program of measures has been worked out and is currently discussed with the IMF, the World Bank and the European Bank, said Karimov.

He said he would work to ensure a 45-year deferment in the repayment of the Tajik debt (currently amounting to $731 million, including $270 million owed to Russia—Interfax).

He said that the decision to introduce a national currency on May 15 was dramatic and that Tajikistan had no other choice. "We have insisted for two and a half years that Tajikistan and Russia unite their monetary systems," he said. "The Tajik parliament has ratified this decision. However, Russia has been delaying the solution of problem," said Karimov. He stated, however, that he did not consider the monetary reform to be a eparture from economic integration with Russia.

He said that the introduction of the national currency will benefit above all the workers of state-run organizations and social sphere. Commercial enterprises will have to earn money on heir own, which will stimulate economic development, said Karimov.

The problem of the national currency's rate versus the Russian ruble has not been solved yet. He expressed the opinion, however, that one Tajik ruble will be exchanged for 100 Russian rubles. He also announced that a 1,000 ruble banknote will be the banknote of the largest denomination.

He said that positive changes were taking place in the Tajik leading industries which will largely determine the real rate of the national currency and the rate of inflation. The volume of industrial production in March 1995 increased by 64 percent compared to December 1994, said Karimov.

Speaking about the current shortages of bread, he said that this problem will be solved in the near future. Commenting on the causes of the sudden shortage of bread, he said that "for unclear reasons" Russia ruptured the Tajik- Russian agreement on the supply of 70,000 tonnes of grain to Tajikistan in April 1995.

The government has taken measures to improve the situation. Beginning May 2, by agreement with the Russian government, grain supplies were initiated from Kazakhstan to Tajikistan, so in May all of the 70,000 tonnes will be delivered to the republic. In addition to this, by agreement with the European Union, 15,000 tonnes of flour will be supplied from Belgium beginning May 8.

Karimov also announced that a Tajik-American agreement was signed in Dushanbe on May 2 on the extension of a $7 million soft credit to be repaid during 20 years at 2 percent annually. The repayment of the debt is to begin on the third year following the receipt of the credit. This credit has already been used for buying 30,000 tonnes of grain in the U.S.

To ease the bread problem, the Tajik government has decided to distribute 500 tonnes of flour from the bread supplies among the citizens through local councils.

Karimov said that strict control must be established over the bread baked in the republic.

He stated that Tajikistan imports a greater part of the grain it needs (Tajikistan annually consumes about 1 million tonnes of grain). He also said he shared the president's belief that in the future the annual production of grain in the republic must be brought to 800,000 tonnes.

Uzbekistan

Karimov Opposes Nuclear Reactor Deal With Iran

LD0405171295 Moscow ITAR-TASS in English 1651 GMT 4 May 95

[By Vilor Niyazmatov]

[FBIS Transcribed Text] TASHKENT April 4 (Itar-Tass)—Uzbek President Islam Karimov expressed disapproval of Russia's intention to export nuclear reactors for Iran's nuclear power plant.

Karimov is the only CIS leader who voiced support to the Clinton embargo on trade with Iran.

"I do not approve Russia's move to sell the nuclear reactor to Iran," Karimov told reporters after his meeting with IMF Managing Director Michel Camdessus on Wednesday [3 May].

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"I am on the side of the United States which has declared the trade embargo on Iran," the Uzbek leader said.

President Grants Amnesty to Mark WWII Anniversary

LD0405120495 Tashkent NARODNOYE SLOVO in Russian 4 May 95 p 1

[Unattributed report: "Decree by the president of the Republic of Uzbekistan on an amnesty in view of the 50th anniversary of the victory over fascism in World War II"]

[FBIS Translated Text] In connection with the 50th anniversary of the victory over fascism during World War II, guided by the principle of humanitarianism, and on the basis of Article 93, paragraph 20 of the Constitution, I decree:

1. People convicted of the following are to be released from punishment in the form of imprisonment as well as punishments not involving imprisonment:

(a) participants in World War II and people who took part in dealing with the consequences of the disaster at the Chernobyl nuclear power station;

(b) women and those under age;

(c) men over 60;

(d) first and second category invalids.

2. People convicted of crimes committed due to carelessness and who have served not less than half their term are to be released.

3. People convicted of premeditated crimes and sentenced to terms of up to five years inclusive, and who have served not less than half their term, are to be released.

4. For people who are not due for release under this decree, the still unserved part of their sentence is to be reduced:

(a) by one-half, for those sentenced to corrective labor or house-arrest and those who committed crimes due to carelessness;

(b) by one-third, for those convicted of a premeditated crime, as a first offense, and sentenced to a term of up to five years imprisonment inclusive;

(c) by one-quarter, for those convicted of a premeditated crime, as a first offense, for a term of over five years imprisonment.

5. Articles 1, 2 and 3 of this decree are not applicable to those convicted for committing especially grave crimes or crimes involving firearms or the sale of narcotics, to especially dangerous recidivists, or to persistent violators of the terms of their sentence.

The punishment of persistent violators of their term [of sentence] is not to be reduced under Article 4 of this decree.

6. This decree comes into effect from the date of publication and is to be implemented within four months.

[Signed] President Islam Karimov of the Republic of Uzbekistan, Tashkent, 3 May 1995.

Karimov: Referendum Results Grounds for Extending Powers

LD0405190895 Moscow INTERFAX in English 1518 GMT 4 May 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Islam Karimov intends to suggest to the deputies that they should view the results of the recent referendum as grounds for extending his powers for another term. As Interfax learned from sources close to the president's entourage, Karimov will come out with this initiative at the 2nd session of parliament, which convenes on Friday.

According to the same source, the president will submit to parliament his proposals concerning the forming of a new cabinet of ministers. Serious changes may take place in the government structure.

In addition to approving a new cabinet, the deputies will have to adopt a number of new laws.

Karimov To Follow IMF Recommendations More Closely

LD0405190095 Moscow INTERFAX in English 1617 GMT 4 May 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] The International Monetary Fund (IMF) is planning to grant Uzbekistan in 1995-1997 credits totalling $287 to $296 million, said its Managing Director Michel Camdessus during Wednesday's [3 May] meeting with President Islam Karimov in Tashkent.

As he said, Ukbekistan can rely on the signing of an agreement concerning the 2nd part of the stand-by credit worth $74 million in the second half of this year (the first part of the credit for a similar amount was granted in late January - IF).

Camdessus said that political stability in Uzbekistan is a major condition for effective cooperation with IMF. According to him, Tashkent has observed the strict conditions for granting credits, such as the need to follow a tough financial and crediting policy and privatize not only trade facilities, but also big plants and factories.

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The granting of credits, including the 2nd stand-by tranche, depends on how effective the implementation of the program for macroeconomic stabilization is, Camdessus pointed out. In this connection he voiced a number of complaints about the slow pace of reforms and the relatively high level of inflation which in March ran at 7.8 percent.

For his part President Karimov said that in April inflation in Uzbekistan was no higher than 7 percent, and promised to lower it to 2 percent by December. The president promised to follow the IMF recommendations, particularly the ones concerning the need to reduce currency issue, even more strictly. He will not endorse wage increases or the payment of different benefits, since this would lead to spurring up inflation. The Cabinet of Ministers will follow a tough monetary and crediting policy and sharply cut allocations for "dependant enterprises" to honor its commitments to IMF, Karimov said. According to the president, "state support will now be guaranteed only for oil industry and agrarian sector enterprises."

Karimov also agreed with the suggestion that all hard currency and gold reserves should be transferred to the Central Bank from the Finance Ministry system.

Supreme Assembly Session Opens; Issues Debated

LD0505085995 Tashkent Radio Tashkent Network in Uzbek 0600 GMT 5 May 95

[FBIS Translated Excerpt] The second session of the republic's Supreme Assembly in its first convocation has started work in Tashkent today. More than 230 deputies, heads of the Uzbek Government, representatives of foreign missions, and journalists are participating in its work. Supreme Assembly Chairman Erkin Khalilov opened the session. [passage omitted] The session's agenda was approved and its secretariat was elected. The deputies then began debating issues on the agenda.

The referendum on extending the term in office of the president of the Republic of Uzbekistan was held on 26 March this year. Akhmedov Qudratilla, chairman of the Central Electoral Commission, gave a report on the results of the referendum.

Erkin Khalilov, who is chairing the session, then gave the floor to President Islam Karimov. The session continues.

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Armenia

President on WWII, K..abakh Problem

NC0405211695 Yerevan Armenia's Radio First Program Network in Armenian 1300 GMT 4 May 95

[FBIS Translated Excerpt] Armenian President Levon Ter-Petrosyan received a group of war veterans and gave them commemorative medals and mementos on the 50th anniversary of the Patriotic War. Here is a report by Lida Ghazaryan from that meeting:

[Begin recording] [Ghazaryan] With the decision of the council of presidents of the CIS countries, commemorative medals are being given today to the war veterans all over the former Soviet territory on the 50th anniversary of the Patriotic War of 1941-1945.

Hence, Armenian President Levon Ter-Petrosyan today received a group of war veterans to hand them these medals and honor them.

Armenian Vice President Gagik Harutyunyan too was present at the reception.

Addressing those present, Mr. Ter-Petrosyan said:

[Ter-Petrosyan] I am well aware of the course of reassessment of the Second World War and of our history in general in recent times. I also know the concerns and pain you have felt because of these reassessments. But, I am also certain that your wisdom is capable of fully assessing this development and regarding it as a natural process which accompanies every revolution. Regrettably, revolutions, which are often the sole means to achieve progress, also unavoidably bring negative consequences. Naturally, this is a reaction against the negative phenomena of the past. However, no revolution, from the French to the October Revolution to all the subsequent revolutions, has ever discarded the positive phenomena of the past [words indistinct]. Despite the fact that under the new slogans the past's achievements were often undervalued, including the most important victory achieved by the Soviet peoples, you yourselves have seen that gradually everything is falling into place, and after vacillations our parliament has displayed enough wisdom to recognize 9 May as the victory and peace day. Had it not done it today, it would have done it next time because nothing can be discarded and thrown out of history.

I would also like to stress the fact that naturally our present assessments cannot be identical with those made in the past. A reassessment of values is also taking place in all the spheres, in the reconstruction of statehood, in revamping the economy, and in social relations. This is only natural and essential. We have [words indistinct] in all fields. We must, and we are trying and I think we have succeeded in many cases, raise ourselves from the level of ideology to the level of historic truth.

Only recently we commemorated the 80th anniversary of the Armenian Genocide. There, too, it became clear that the present assessments do not conform with the previous ossified notions for two reasons: First, before we did not have the opportunity to tell the full truth, and only with enormous courage some could have stated even the pseudo truth. [words indistinct] I gather that you may be concerned with the fact that at present all the historic events are shaking off their former fetters. Therefore, in order to judge your work, I will [words indistinct] by fully putting aside ideology and discussing the issue in historical terms. In that sense, your exploits are unattainable. You have made history and two results obtained during WWII with your participation are invaluable both for the entire world and specifically for the Armenian people. You saved the world from the horror of fascism, a horror which was threatening to destroy the contemporary civilization and restore the medieval feudal system. This is your great accomplishment.

Second, by having solved this universal problem, you also solved the question of Armenia's existence. Hitler's victory would have meant the final destruction of Armenia. This not a mere [words indistinct] but a logical analysis of concrete events. God forbid, had Stalingrad fallen, Turkish troops would have invaded Armenia. Today Armenia exists, and I am convinced that it will exist forever as an independent and free state, only thanks to you. [applause] I congratulate all of you, and I assure you that your cares, no matter if they are openly stated, are the focus of our attention just like the cares of all the strata of our people. No problem could be solved in the Republic without the simultaneous solution of all the problems of The republic. Your situation will improve only when our people's situation improves on the whole. We are meeting you on this occasion, but we have to give the same message to all the strata of the Republic, be they teachers, doctors, families of the freedom fighters, students, pensioners, or others. Thank God, I can now repeat what I said during my optimistic New Year message [words indistinct]. I am not in the habit of making empty promises to our people. I consider lying to be the greatest dishonesty. I can say something good only when I am sure that it can be implemented in practice. I said that 1995 will be a year of alleviation of our people's cares, a year for ensuring our future steadfast progress. I reiterate that with greater conviction today. I believe that the Armenian (?state) and the Armenian nation as a whole have left behind all the critical dangers. Though slow and gradual, steadfast progress, prosperity, stability, and [words indistinct] await us henceforth. [applause]

Only one thing could divert us from this course. It is the danger of resumption of war in Nagorno-Karabakh, a danger which unfortunately has not yet been eliminated. We are exerting every effort to solve this problem through political talks, for we have no more military problem to solve. It behooves us to diplomatically consolidate what the heroic people of Nagorno-Karabakh achieved with their own dear blood. But we have to state sincerely that many countries' interests are clashing while discussing this problem on the international level.

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It is obvious to us that the more complex [words indistinct]. We can say with some exaggeration that at present the conflict is not as deep between the conflicting sides, that is, between Azerbaijan and Karabakh, as it is between the foreign states and intermediaries that are supposedly called upon to bring peace to our region. The process is getting complicated, but [words indistinct] thanks to the political will of the conflicting sides a stable, and this is not an exaggeration, peace has been established in Nagorno-Karabakh for the past year. While doing everything and exerting every effort to maintain the peace and solve the Karabakh problem within the framework of political talks, we are not forgetting even for a moment our self-defense needs. We must be prepared for any surprise. We, both Armenia and Nagorno-Karabakh, have no intention of violating the cease-fire. We have no intention of resuming the military operations. The Armenian side will in no way benefit if the war resumes and the cease-fire is violated. However, we are ready as never before to deal a deserving counterblow to any attempt by the enemy to resume the military operations. [applause] I think that everybody realizes this, and that is why this is the most important factor in preserving the current peace. For which I, in the name of the Armenian authorities and entire people, express my gratitude to you. I bow before your great accomplishment, and in your name I would like to give the due to our national Army and veterans of the Karabakh war [words indistinct]. You and they joined together for the sake of a single mission [words indistinct] [applause]. [end recording] [passage omitted]

Hostages To Be Released on Armistice Anniversary

NC0405150895 Yerevan SNARK in English 0854 GMT 3 May 95

[FBIS Transcribed Text] Stepanakert, May 3 (SNARK)—Coordinator of the NKR "Helsinki Initiative-92" Committee Karen Ohanjanyan addressed a letter to NKR [Nagorno-Karabakh Republic] President Robert Kocharyan.

Ohanjanian told Snark correspondent the letter was sent just before the first armistice anniversary in the Karabakh conflict zone. The letter also marked the important role of NKR powers in achieving military and political equilibrium with Azerbaijan, which together with mediation efforts, should guarantee peace. The Coordinator expressed his hope that the NKR Government will continue solving the problem peacefully. As a goodwill jest [as received], NKR will release all Azeri hostages on the May 12 anniversary of the armistice.

Ter-Petrosyan Ready To 'Unilaterally Return' POW's

LD0405185895 Moscow INTERFAX in English 1518 GMT 4 May 95

[From the "Presidential Bulletin" feature: by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] Armenian President Levon Ter-Petrosyan declared about Armenia's readiness to unilaterally return all prisoners of war and hostages who are staying on Armenia's territory and are mentioned in the lists of the International Committee of Red Cross (ICRC) to Azerbaijan. Ter-Petrosyan declared about this in the course of his meeting with the delegation of Russia's Federation Council and Council of the CIS Inter-Parliamentary Assembly on Wednesday evening [3 May].

Head of the Russian delegation Vadim Gustov, chairman of the Federation Council Committee on the CIS, reported in an interview with journalists after this meeting that Ter-Petrosyan is ready to adopt this decision in the case that after its visit to Yerevan, Stepanakert, and Baku the Federation Council delegation is unable "to synchronize" the agreement on exchange with prisoners of war and hostages.

Gustov did not rule out that this unilateral action of Yerevan can be implemented immediately after Ter-Petrosyan's return from Moscow where he will participate in the festivities devoted to the 50th anniversary of the Victory Day on May 9.

According to the International Committee of Red Cross, there are a total of 230 captives and hostages, including 30 in Armenia, 70 - in Azerbaijan, and 130 in Nagorno Karabakh.

In an interview with Interfax Chairman of the Armenian parliament Babken Ararktsyan declared after his meeting with the Federation Council delegation and Council of the CIS Inter-Parliamentary Assembly that the exchange with captives and hostages between the Armenian and Azerbaijani parties should be implemented on the ICRC lists on the basis "all for all."

According to Ararktsyan, position of Nagorno Karabakh concerning exchange with hostages and prisoners of war "in principle does not differ from Armenia's position."

Asked about the future status of Nagorno Karabakh, Ararktsyan underlined that such issues would be discussed "when stable peace is established in the conflict zone and Azerbaijan takes off its blockade from Armenia."

In a conversation with Interfax Gustov reported that the aim of this four-day trip to the region of the Armenian-Azerbaijani conflict is "to examine the situation in the confrontation zone" so that the Russian parliament and the the CIS Inter-parliamentary Assembly "could more precisely determine their place in the process of settlement" and could assist in exchange with prisoners of war and hostages.

Gustov said that preliminary "telephone" agreements were reached on the eve of the trip in accordance with which leaders of Armenia, Azerbaijan, Nagorno Karabakh promised that all structures subordinated to them will assist in solving the issues of exchange. "Now we are searching for a mechanism to implement these agreements," Gustov said. Having noted that Armenia and

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Azerbaijan adhere to different positions with respect to the mechanism of exchange, Gustov declared that the task of the delegation headed by him is to near them.

Gustov said that the preparation of the political agreement on the Karabakh settlement would be one of the major subjects during the meetings in Yerevan, Baku, and Stepanakert. "We believe that the parties should hold a more active dialogue on this problem because there should be no vacuum in the settlement which lasts a year already after the ceasefire on May 12," Gustov declared.

Opposition Party Refuses To Enter Parliamentary Elections

LD0405174295 Moscow INTERFAX in English 1508 GMT 4 May 95

[FBIS Transcribed Text] YEREVAN, May 4 (Interfax)—The influential opposition Armenian Revolutionary Federation has refused to participate in the July 5 parliamentary elections.

Its activities were suspended on January 13 by the Armenian Supreme Court for six months after an appropriate decree by President Levon Ter-Petrosyan.

A statement of the opposition party stresses that in the present situation when the lawful rights of parties are crudely trampled on and democratic elections have become impossible, the participation of the federation in the formality becomes senseless and purposeless.

Earlier the party intended to run for parliament on the ballot of the National Union of four opposition parties: the Union of Intellectuals, the Constitutional Law Union, the Karabakh-Armenia group and the Heritage movement.

The statement says the election law contradicts the approaches of opposition parties and the provisions of the draft constitution.

On April 13 the federation submitted an application for participation in the elections to the Central Electoral Commission, but the application was not accepted because the activities of the party had been suspended.

Meanwhile, local observers think it possible that the influential opposition group will be represented in the elections by individual members.

A total of 190 members are to be elected to the National Assembly: 40 on party tickets and the rest as direct representatives of voters.

National Assembly Election Law Viewed

954F2215A Yerevan RESPUBLIKA ARMENIYA in Russian 28 Apr 95 p 1

[Article by Feliks Tokhyan, RESPUBLIKA ARMENIYA political observer and expert of the Supreme Council of the Republic of Armenia, under the rubric "Parliament": "What Will the National Assembly Be Like?"]

[FBIS Translated Text] The people of the Republic of Armenia have before them their next large political election. As we know, the current parliament of the Republic of Armenia is "counting down" its last months of operation. Having mustered all of its political will, the parliament has been able in the last days of its political life to solve a number of the most important political and legal problems. The main one, undoubtedly, is to create a legally reliable base for the formation of a new legislative of the Republic of Armenia and provide for continuity in the transfer of the legislative authority to the new parliament without serious upheaval. The decisions concerning the scheduling of the date of the elections to the new parliament for 5 July, the formation of the Central Election Commission and the approval of R. Amiryan as its chairman, the adoption of the constitutional law of 27 March 1995 and the law on the election of deputies to the National Assembly of the Republic of Armenia have brought not only the parliament but all political life of the republic out of an impasse and out of a possible political crisis. The only large "arrears" of the republic's legislative organ was the Constitution of the Republic of Armenia, the draft of which was finally completed by the Constitutional Commission and submitted for discussion by the parliament. I hope that this issue too will be properly resolved by parliament, which during the five years of its activity has demonstrated a surprising ability at a critical moment to leave considerations of political rivalry aside and resolve political and legal problems, guided by nationwide and statewide interests. An analysis of the draft of the new Constitution and its strong and weak aspects and the method of its adoption (parliament, referendum) are a matter for the immediate future. The Constitution has been and still is a strategic task and the guarantee of the republic's future normal political and legal development. Our problem now is to analyze the new Law on Elections to the National Assembly and the possible results of nationwide elections to the legislative organ of the Republic of Armenia. This is a tactical problem of the country's current political life. What kind of parliament does our republic need and in principle what can be formed on the basis of the new law on elections to the National Assembly?

In the first place, one must especially note the fundamental innovation of the new provisions in the law on elections. The right to vote and the electoral system in the Republic of Armenia have changed radically.

In the second place, it is also necessary to accept the political fact that the adoption of the law on elections at the critical moment of the political end game was the result of a large political compromise among various influential circles and political groupings in parliament. The ruling political force and the opposition were faced with the possibility of complete failure of the new elections to the legislative organ. As a result of many

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days of debates parliament emerged from the political impasse on the basis of a political compromise.

What are the basic provisions of the new law on elections to the National Assembly? Let us note just a couple of principally new provisions that radically change the entire electoral system.

In the first place, the name of the legislative organ has changed—instead of the former Supreme Council it will be the National Assembly. The entire system of councils is being eliminated. There will be neither local councils nor a Supreme Council. A principally new system of representative organs of state power is being created.

In the second place, the term of office for parliament has been reduced to four years. One must note that the problem of terms of office of high organs of state power and administration is one of the most difficult in the science of constitutional (state) law. This problem is solved in different ways in various states. Here too the former system of "five-year plans" (every five years there was a congress of the Communist Party of Armenia, the republic Supreme Soviet held office for five years, the country's economic life was built on the basis of five-year periods of development) has disappeared into history for good. In developed countries of the world the terms of office of the high organs of state power (the three branches of it) do not usually coincide. And this is basically correct. Simultaneous replacement of all high organs of state power would have large political repercussions. Questions of economizing in political life (combining the elections of the president and parliament) produce large political losses. Therefore the terms of office of the president are usually longer than the terms of office of parliament and the high judicial power is created according to the principle of irremovability. Our republic has also adopted this political practice of state development of many countries. The terms of office of the president and parliament no longer coincide: five years for the president and four for parliament. This fundamental change will also stimulate political activity both of the political parties and of the people themselves.

In the third place, the future composition of the National Assembly has been significantly reduced. This problem arose during the formation of the current Supreme Council. At that time there was also a significant reduction (from 360 members to 260). Today this question is crucial again, for the legislative activity of the parliament has demonstrated the complete senselessness of having 260 members of the legislative organ in our small republic.

In the fourth place, among the most important innovations in the law is the introduction of a new electoral system in the country. Along with the previously existing majority electoral system a proportional system will be introduced. The latter sharply stimulates the activity of political parties. And although the quantitative proportions of the mandates between these two electoral systems are not optimal (150 for majority and 40 for proportional), nonetheless this is of immense interest. Equal opportunities have been created for political parties in the Republic of Armenia for an extensive political battle and the achievement of respectable representation in the republic's legislative organ.

In the fifth place, new electoral qualifications (that is, requirements) which must be met by both voters and candidate deputies to the National Assembly have been introduced in the republic. The right to vote is enjoyed only by those citizens of the Republic of Armenia who before election day (5 July) were 18 years old and who before the election day had resided in the Republic of Armenia for at least one year (this is the well-known election residency requirement, which is even stricter in many other countries). The right to be elected as a people's deputy is enjoyed only by those citizens of the republic who before election day were 25 years old (as we can see, the age requirement has been increased) and who before election day have been residing continuously in the Republic of Armenia for at least three years (the residency requirement is stricter than it is for voters, and periods of temporary residence are not counted). Restrictions have also been introduced for individuals wanted in criminal investigations and those who have been arrested.

In the sixth place, there has been a fundamental change in the range of subjects enjoying the right to nominate candidate deputies. A number of the former subjects (public organizations, labor collectives) have been deprived of this possibility. And that is correct. In multiparty systems with political pluralism and freedom for the real creation of political parties these institutions lose their significance in the organization of nationwide elections. The right to nominate is granted only to voters in their place of residence (in majority electoral districts from 500 to 700 individuals) and political parties or blocs of them, which have legally registered and properly submitted the necessary application to the Central Election Commission.

In the seventh place, there has been a fundamental change in the structure, the actual organizational mechanism for the formation of the Election Commission, which has been charged with all the organization of the elections, counting of the votes, and tallying of the results. And if the Central Election Commission is formed without the direct representation of political parties (one member for every 10 current deputies in parliament, which will nonetheless indirectly reflect the party composition of the parliament), the district and territorial commissions have been completely turned over to the political parties. These commissions will be created on the basis of applications from the parties, on an equal basis with one representative from each.

In the eighth place, there has been a radical solution to the problem of a quorum in elections. This is an important issue which requires a special analysis. One might consider the main thing to be that with the currently

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established quorum the new parliament will be formed in the shortest amount of time and will be able to begin its work in July-August of this year.

A number of other new provisions pertaining to the authority of the Central Election Commission, state financing of the election campaign, etc. have been introduced.

The new law on elections to the National Assembly has a number of fundamental shortcomings as well. But an analysis of these gaps and their possible consequences are the subject of a separate article.

Plan To Evacuate People Near Nuclear Plant Rejected

NC0405144595 Yerevan NOYAN TAPAN in English 1246 GMT 4 May 95

[FBIS Transcribed Text] 03/05/95 NOYAN TAPAN—Works on insuring the safety of the Armenian Nuclear Power Plant are currently carried out. This was reported by the Press Secretary of the Armenian Ministry of Energy and Fuel Jasmine Ghevondyan.

The Secretary of the Union of National Self-Determination - Christianocrates (UNSD-Ch) Asatryan addressed a letter to the Armenian Minister of Energy and Fuel. The letter raises the question of evacuation of the population 30 km adjacent to the Plant when reactivating it.

Citing the growing anxiety of citizens the UNSD Secretary points out: "I think there is no necessity to substantiate that such anxiety causes chaos in this populous territory, endangering the stability in the whole country." According to Ghevondyan, such statement of the question is wrong as there have been no precedents of people evacuation in the world practice. "If the authorities are not sure of the safety the Nuclear Power Plant will not be just reactivated,"- she stated.

Azerbaijan

NATO's Attention Draws to Russian Troops in Caucasus

NC0405181895 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 4 May 95

[FBIS Translated Text] In receiving a [NATO] delegation led by Necil Nedimoglu, chairman of NATO's Verification Committee monitoring compliance with the treaty on the reduction of Conventional Armed Forces in Europe [CFE], Azerbaijani President Geydar Aliyev first of all spoke on the consequences of the aggressive war waged by Armenia against Azerbaijan and on the grave condition faced by more than 1 million refugees. He said that Azerbaijan favors the peaceful resolution of this deplorable war and welcomes the peace efforts of the international organizations. Azerbaijan's membership in NATO's Partnership for Peace testifies that Azerbaijan is against military operations.

Noting specifically that the Russian Armed Forces have been sited in the Caucasus region, particularly in Armenia and Georgia, President Geydar Aliyev noted that Azerbaijan has only its own Armed Forces which have been set up solely for the purpose of defending our borders and territorial integrity. NATO should have its say in stopping Armenia's aggression and withdrawal of its troops from our occupied lands.

The head of the delegation Necil Nedimoglu referred to his meetings with the Azerbaijani foreign and defense ministers and added that he will convey objective information to NATO members on his findings and realities in Azerbaijan.

Azerbaijan's newly appointed ambassadors to Vienna and Brussels will serve to expand cooperation with NATO.

[Begin recording] [Aliyev] Our ambassador to Brussels is still here. The ambassador to Vienna has already gone there. I hope that you will forge close cooperation with them. They have already received the relevant instructions from me. I fully share your view that once these ambassadors take up their posts, issues relating to the participation of these organizations in the verification of CFE, consolidation of Azerbaijan's ties with NATO, and the solution of the Karabakh—that is, Armenia-Azerbaijan—conflict will be speeded up. [end recording]

Turkey To Give Azerbaijan Military Assistance

LD0405201095 Moscow INTERFAX in English 1845 GMT 4 May 95

[FBIS Transcribed Text] Baku, May 4 (INTERFAX)—Turkish Foreign Minister Erdal Inonu said on Thursday [4 May] his country would continue giving "friendly" Azerbaijan all forms of assistance, including military.

Speaking in Baku after talks with his Azerbaijani counterpart, Gasan Gasanov, Inonu advocated a rapid political settlement of the Armenian-Azerbaijani conflict and "unconditional liberation of (occupied) Azerbaijani territories." "Only after that can the problem of the status of Nagorno-Karabakh be solved," he said.

The minister said that the settlement process should be overseen by the Organization for Security and Cooperation in Europe (OSCE) and the Minsk Group.

He said he and Gasanov had also discussed what route should be picked for a pipeline to export Azerbaijani oil to Western Europe. "We would like the oil pipeline to run through the territory of Turkey," Inonu said.

Gasanov, for his part, said the possibility of the pipeline running through Armenia "will not be on the agenda, certainly not as long as Azerbaijani territories remain occupied by the army of the Republic of Armenia."

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Presidents of SOCAR, Other Company Invited to Iran

NC0405192095 Baku TURAN in English 0513 GMT 4 May 95

[FBIS Transcribed Text] Baku (May 3) TURAN—The president of the Azerbaijan's International Operation Company Terry Adams was invited to Iran for discussing some matters concerning oil production in the Caspian sea, according to reliable source. President of SOCAR [Azerbaijan State Oil Company] Natig Aliyev was also invited, according to information. It is expected that the issues concerning Iran's participation in the development of the Caspian fields as well as the route of the pipeline will be discussed during the visit.

Commentary on Caspian Oil Export Options

MK0505054795 Moscow KOMMERSANT-DAILY in Russian 4 May 95 p 4

[Commentary by Georgiy Bovt: "Caspian Oil Consortium. What Pays Politically, Pays Economically"]

[FBIS Translated Excerpt] A route for the future pipeline to carry Caspian oil produced by the international consortium to the West is being discussed these days. Economists and politicians are seriously debating the four main competing routes (all the others are only versions thereof). The issue is whether the oil is to run across Turkey or across Russia. In discussing the routes, diplomats cite economists as saying we should be guided exclusively by economic expediency, that is to say, we should build the pipeline where it would cost less. These words cannot be believed, because this is no more than being cunning. A commentary by Georgiy Bovt:

Representatives of Caspian consortium-member firms gathered in London early this week in order to once again discuss a pipeline route for exporting oil from the Azeri, Chirag, and Gyuneshli fields. Nothing is yet known about their decision. But not so long ago, Azerbaijani Parliament Speaker Rasul Guliyev said in a leak to the TURAN news agency that four main options are up for discussion: Azerbaijan-Iran-Turkey-the Mediterranean; Azerbaijan-Armenia-Turkey- the Mediterranean; Azerbaijan-Georgia-Turkey-the Mediterranean; Azerbaijan-Russia-the Black Sea. What are the economic and political implications of each of the possible options?

By Guliyev's admission, two options are most likely—across Georgia or across Iran. The latter, however, raises great doubts because of the unimaginable noise now raised by the United States about Iran's role generally in international politics. It is worth recalling that it is the United States that insisted on excluding Iran as member of the Caspian consortium. The White House's pressure was undisguised, strong and, for this reason, rather humiliating for Baku since by that time there already existed an agreement of intent which provided for a five percent Iranian share. As many people know, the net result was that Azerbaijan's GNKAR [expansion unknown] awarded five percent of its quota to Exxon and upped the Turkish oil company's share to 6.75 percent. As for Tehran, it was unceremoniously shown the door.

Having realized that the Iranian mullahs had been treated in a bad way, the men in Baku now are starting to mention that Iran should be given access to other fields on the Caspian shelf, part of which Azerbaijan considers its own. Indeed, Baku does not at all wish to sour completely relations with a neighbor country in which more Azerbaijanis live than in Azerbaijan proper. In particular, Azerbaijan announced the other day its intention to offer Iran a share (5 to 10 percent) in developing the Shakhdeniz oil and gas off-shore deposit. Earlier, Baku concluded a preliminary agreement with the British Petroleum—Statoil alliance and the Turkish state company on developing this deposit, located in the southern part of the so-called Azerbaijani sector of the Caspian Sea (Moscow does not recognize the dividing up of the Caspian into national sectors) and holding, by various assessments, 150 to 200 million tonnes of oil and up to 500 billion cubic meters of gas. This gesture aimed at making up with Iran, with which there was a spat "at the request of the United States," can be taken by the selfsame United States as defiant. Indeed, it has been made just as the White House announced its intention to impose an embargo on trade with Iran. Whereas Washington can swallow a refusal to show solidarity with this impulse of President Clinton's by, say, the FRG, France, Great Britain, or the EU, the challenge by Baku may prove costly to the latter. Time will tell what the United States' reaction to Azerbaijan's cooperation with Iran in the petroleum area will be. But it is already obvious that one should hardly discuss seriously the possibility that the American firms that are members of the Caspian consortium are going to agree to run the pipeline across Iran. Tehran generally refuses to play these cards and states, without mincing words, that in accordance with the documents signed with Azerbaijan, it continues to regard itself as a member of the consortium and urges the Azerbaijani side to meet the commitments it made. This is something Iran's deputy ambassador to Azerbaijan, Afshar Suleymani, did not fail to tell the TURAN news agency [passages omitted]

Which are the likely solutions? Guided by arguments of economic expediency, Turkey would hardly pass up the chance to reorient (partially at least) the regional oil arteries to run across its territory. Therefore, one should not expect its unequivocal yes to Russian proposals. As regards routes across Armenia and Iran, everything seems clear there—they, most probably, will never be. The route across Georgia offers several compromises which may help all the consortium participants, including "LUKoil," agree. First, Moscow—should the Novorossiysk option be turned down—would be able, albeit partially, to find consolation in the fact that it has a good geopolitical position in Georgia, in particular three military bases, and its influence on the ruling

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regime is rather significant. Second, "LUKoil," (and through it, Russia) will receive compensation in the form of either participation in the development of other Caspian deposits or by an increase in the company's share of the consortium. Third, life will not end with the construction of the pipeline across Turkey; that is to say, no one has abolished the plans to build a Greek-Bulgarian- Russian oil pipeline: the Caspian contains plenty of additional oil that will still have to be exported (for example, Kazakh oil). Fourth, and finally: The consortium may export its so-called primary oil across Russia until the project goes fully on line and until a new pipeline has been built.

That is to say, if it is built at all; if the well-known there-is-nothing-more-permanent-than-something-temporary principle doesn't take over.

Georgia

Shevardnadze Orders Disarmament of Mkhedrioni Militia

AU0405170595 Paris AFP in English 1630 GMT 4 May 95

[FBIS Transcribed Text] Tbilisi, May 4 (AFP)—Georgian leader Eduard Shevardnadze Thursday [4 May] ordered the disarmament of the powerful Mkhedrioni paramilitary militia and placed security forces on alert for a possible armed rebellion, his press office said.

A decree signed Thursday by Shevardnadze calls for the voluntary disarmament of the Mkhedrioni, but allows for the use of force if they refuse to cooperate, the office said.

As a result of his Mkhedrioni ("Knights"), the politician Dzhaba Yosseliani has long been perceived in Georgia as almost as powerful as the head of state himself.

Ioseliani Says 'Smell of Civil War in Air'

LD0505110695 Tbilisi IPRINDA in Russian 0920 GMT 5 May 95

[FBIS Translated Text] Tbilisi (IPRINDA)—At the morning session of the Georgian parliament on 5 May, parliament member Jaba Ioseliani announced: "There is a smell of a civil war in the air in Georgia." Jaba Ioseliani appealed to the deputies to stop playing political games. In his words, parliament and its head must resign. Ioseliani said that on 4 May, the Kakheti branch of the Rescue Corps had been attacked and that prisons were full of our people. History repeats itself and we shall not allow dictatorship in Georgia, Ioseliani went on to say. He said that it was a big provocation and called on the deputies to act responsibility. Let Shevardnadze and all the deputies attend the session and let us, within the framework of law, decide together whether we need the Rescue Corps. Otherwise, we shall put force against force, concluded Ioseliani. Georgia needs a democratic Shevardnadze, not a dictator, he noted.

Following Ioseliani's speech, Deputy Speaker Vakhtang Rcheulishvili asked the faction members to voice their points of view on the above issue. The opposition deputies one after another said that Shevardnadze had started to weave a web of intrigues, and that Georgia had no government. They added that Russia did not need Ioseliani, as he was against the renewal of the mandate to the Russian peacekeepers in Abkhazia and that was why Shevardnadze was trying to get rid of him. They were trying to get rid of Ioseliani as he was a serious contender at the upcoming elections.

The majority of deputies suggested setting up a working group to resolve the issue.

New Communist Faction Presents Political Platform

AU0405160395 Tbilisi KOMUNISTURI PARTIA in Georgian 25 Apr 95 p 1

["The Political Platform of the 'Komunistebi' Parliamentary Faction"]

[FBIS Translated Text] The faction believes that this unification of members of Parliament is the beginning of the major national-patriotic and social movement whose aim inside Parliament and outside is to concern itself with consolidating and unifying the entire nation and reviving future Georgian socialist construction and, in this way, lead the population out of poverty and anarchy in a short period of time and quickly restore the country's political and economic independence and its territorial integrity so that Georgia can become a worthy member of the commonwealth of world democratic states.

The faction will promote in every way possible the formation of a national-patriotic state ideology, the restoration of international traditions, and the elevation of the population's political culture.

The faction will act to eradicate social injustice and moral vices, strengthen law and order in the country, restore respect for labor, eliminate unemployment, and implement the principle of equal rights for all citizens and religious tolerance.

The faction believes that one of its urgent tasks is to concern itself with strengthening the supremacy of the law and see to it that the Constitution is adopted by Parliament as soon as possible, whose own variant has been published in KOMUNISTURI PARTIA and which is based on the Constitutions of 1937 and 1978 and that the elections are held on time and are well organized.

The faction's aim is to concern itself with perfecting such a state centralized economic system and forms of regulated socialist market relations that will ensure a standard of living for the population that befits a civilized country: Free education, health care, and housing provision and the restoration of other benefits and the struggle against the destatization and privatization of such riches

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as land, mineral wealth, water, forests, and state enterprises and organizations of strategic and national importance and also the robbery of public property by means of [privatization] vouchers and dubious shares.

The faction believes it is essential to speed up the process of creating a single strong and modern army. At the same time, to prevent any kind of infringement upon Georgia's sovereignty, it views as expedient military cooperation with those countries that, if necessary, will be able to provide effective assistance both in preserving the unity of the country and improving the formation and combat effectiveness of the Armed Forces.

The faction views it as expedient that cooperation between states based on equality, the inviolability of borders, the eradication of separatism, and the settlement of controversial issues within and outside the country, first and foremost, by means of diplomatic negotiations should form the basis of the country's foreign policy.

The faction will struggle for the transformation of the country into a rule-of-law state where there will be no abuse of human rights, no exploitation of man by his fellow man, and no violation of the universally recognized principles of humanism.

The faction believes that it will be able to accomplish these aims and tasks provided that it achieves success in the future elections and it does not hide its realistic aspirations and hopes that this will happen as the population's sympathies for the Communists and their nostalgia for socialism are already being clearly felt. The stage has been reached when the Communists should fulfill their historic mission.

Therefore, the faction will make every effort and use all its abilities and energy to unite and consolidate parties and forces with a communist and socialist orientation, which will guarantee success in the future elections and the regeneration of the country and the nation.

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Estonia

Meri on Solution to Territorial Dispute With Russia

LD0405143895 Moscow INTERFAX in English 1341 GMT 4 May 95

[FBIS Transcribed Text] TALLINN, May 4 (Interfax)—A solution to the problem of disputed territories in Russia's Pskov and Leningrad Regions will be in the interests of both countries, said President Lennart Meri of Estonia.

It is hard to imagine that European security structures would cooperate with our countries before the border dispute is settled by means of signing a bilateral agreement, Meri told the Eesti Sonumid newspaper on Thursday.

This problem can be resolved only by means of negotiations, he pointed out.

Estonia claims 2500 square kilometers of territories in Russia's Pskov and Leningrad Regions. Under the Tartu Treaty signed in 1920 these territories belonged to Estonia. Russia does not recognize that treaty, viewing it as "null and void".

The talks concerning these territories began in 1991, but proved to be futile.

The Estonian president also said that he will join festivities to be held to mark the 50th anniversary of the end of World War II in London and Paris. As he said, the French and the Britons will celebrate the victory won by democracy over totalitarian Nazism.

He confirmed his decision to refrain from joining the festivities in Moscow, since Russia will mark "the victory of one totalitarian regime over another."

Minister Outlines National Defense Policy to Cabinet

WS0505113395 Tallinn BNS in English 1004 GMT 5 May 95

[FBIS Transcribed Text] Tallinn, May 05, BNS—Estonia's national defense in case of aggression will rest on total yet mobile resistance, Defense Minister Andrus Oovel told a Cabinet session Thursday [4 May], presenting the Defense Ministry's position on the country's defense policy concept.

Oovel said the ministry is prepared to submit a paper on the basic directions of national defense for discussion in the government within three months.

The minister's statement to the Cabinet said Estonia needs to make the international community aware of its firm intention to defend itself and avert an attack by an aggressor. Only this way can Estonia hope to receive effective support and help in securing its independence and sovereignty.

"The Defense Ministry regards Estonian national defense as the state's ability to mobilize in case of aggression all resources ... for armed defense of statehood. The main task is to prevent an armed aggression and, failing this, put up armed resistance to the aggressor using all available resources throughout the country's territory," the statement said.

Resistance to aggression is to be based on mobile territorial defense in the principal directions of the enemy attack. The defense forces are to form the basic force of mobile defense. Territorial defense, to be organized in the entire territory of the country, will rest on home defense forces to be formed on the basis of the Defense League.

The course toward partnership in Euro-American security structures obliges Estonia to become a guarantor of security analogically to developed western states, so it has to establish a national defense structure, the statement said.

Latvia

Protest of Russia Obstructing OSCE Observer

LD0405185595 Riga Radio Riga Network in Latvian 1700 GMT 4 May 95

[FBIS Translated Text] The Latvian Foreign Ministry has presented to the Russian Embassy in Latvia a protest note about the failure to admit Joergen Andersen, the representative of the Organization for Security and Cooperation in Europe [OSCE] and ministerial counsellor at the Danish Foreign Ministry to the new building at the Skrunda radar station during the explosion. In accordance with the Latvian-Russian agreement on the legal status of the Skrunda radar station during its temporary operation and dismantling, a unified commission was formed whose task is to monitor and coordinate the execution of the agreement. Andersen is the OSCE representative on this commission, to which representatives of Latvia and Russia are also appointed. This agreement provides the right for its members to observe the operation of the station. Andersen was visiting the site for the first time.

Ulmanis on Destruction of Skrunda Radar Station

LD0405190595 Moscow INTERFAX in English 1518 GMT 4 May 95

[From the "Presidential Bulletin" feature: by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Guntis Ulmanis described the ceremony of destruction of an unfinished building of the Russian radar station in the village of Skrunda, 160 kilometers from Riga, the Latvian capital, as "a symbolic farewell to the consequences of the occupation."

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"Though this building was built in peace time, for Latvia it was a symbol of occupation, militarism, and confrontation," Ulmanis declared.

"The fanfares in honor of the World War II have passed by us," he continued. "We have only suffered in this war. We are not 100 percent owners of our land yet because not all Russian military men left Latvia in accordance with the agreement. The state's eastern border has not been restored until now to its pre-war state. However, today's event should demonstrate that we are worthy inheritors of this land."

IF Note: The 19-storey building, 122 meters in height, was ruined by means of an explosion within 19 seconds with the help and in accordance with the technology of the American firm Control Demolition Incorporated. As many as four tonnes of explosives were needed to destroy this building. In accordance with the agreement between the Latvian government and the Control Demolition Incorporated firm the remnants of the exploded building should be collected and transported to the United States before this September. Last summer the U.S. government allocated $4 million for this dismantlement.

The detector of the Skrunda radar station will continue functioning in accordance with the Latvian-Russian agreement up to 2000, the last year and a half will be devoted to its dismantling. The ceremony of destruction of the unfinished building of the station, construction of which was started in late eighties, was timed to coincide with the 5th anniversary since the adoption of the Declaration on restoration of state independence of the Latvian republic by the Supreme Soviet of the Latvian republic.

'Controversy' in Parliament Over Unopened KGB Archives

WS0505113495 Tallinn BNS in English 1004 GMT 5 May 95

[FBIS Transcribed Text] Riga, May 05, BNS—The fate of the still unopened archives of the former Soviet state security committee, KGB, has brought on much controversy in the Latvian parliament.

The National Bloc factions support full or partial publication of the name cards of the former agents.

The bloc's Farmers Union faction upholds publication although the move "is unlikely to solve the problem of self-purification of society" as people mentioned in the archives have not participated in repressions against the Latvian nation, said Farmers Union Chairman Andris Rozentals.

Rozentals claims that Latvia needs court proceedings what he called Nurnberg-2 to condemn the communist regime and KGB activities.

Another National Bloc member, the National Conservative Party LNNK [Latvian National Independence Movement], wants to publish part of the documents, namely, surnames of KGB agents who ran for the incumbent parliament or local governments, or were candidates to socially important posts regardless of their success.

LNNK also advocates the Estonian principle of "self-declaration" of former KGB agents and advises to adopt a special law demanding that all persons, who cooperated with the notorious institution, announce themselves.

The surnames of those who fail to observe this requirement could be published, the faction said.

The factions of the Political Association of Economists, the Popular Concord Party and the Equality of Rights oppose the idea.

The publication of the information would "cause an injury to a great part of the Latvian nation," Political Association of Economists leader Edvins Kide told reporters Wednesday [3 May].

The archives should be destroyed because they serve to blackmail people in the interests of various parties, said Equality of Rights Chairman Filip Stroganov.

The Popular Concord Party suggests that the documents be declared as legally non-effective and preserved for the needs of historians.

Lithuania

Brezinski 'Lesson' for Lithuanian Nationalists Noted

MM0305145795 Moscow IZVESTIYA in Russian 4 May 95 p 3

[Report by Nikolay Lashkevich: "Brzezinski Teaches Lithuanians to Respect Russia"]

[FBIS Translated Text] Vilnius—During a visit to Vilnius, during which he took part in an international conference entitled "From Communism to Democracy: The Experience of Lithuania and Poland," the famous political scientist Zbigniew Brzezinski, former national security aide of the U.S. President, gave Lithuanian politicians a graphic lesson on the subject of mutual relations between Lithuania and Russia.

At present these are undergoing a serious crisis, particularly because of the ostentatious disrespect by the Lithuanian leadership toward the holiday of Victory Day in Moscow. "You cannot behave toward a great neighbor as if he were a permanent enemy until he starts to behave like an enemy. I advocate normal relations, because that can only be to the advantage of small states," Zbigniew Brzezinski, a man who, as everyone knows, never cherished any sympathy for the "empire of evil," stated somewhat didactically in an interview with the LETUVOS RITAS newspaper. These words brought a clear note of discord into the conference.

Zbigniew Brzezinki's unequivocal statement about the future of Kaliningrad Oblast at a meeting in Vilnius University was scarcely to the liking of the nationalists

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either. Brzezinski stressed that in the political sense it is part of Russia, and he even proposed that Kaliningrad be renamed as Knyazgrad: "For Russia Kaliningrad could become what Hong Kong will be to China." So the recognized foreign authority in the sphere of international policy made it clear to the Lithuanian radicals and particularly those who call Kaliningrad Karaliaucius, and Kaliningrad Oblast little Lithuania, that they have to get rid of provincialism in politics, and the sooner the better.

Brazauskas Minimizes Kozyrev 'Force' Statement

LD0405133795 Vilnius Radio Vilnius Network in Lithuanian 1200 GMT 4 May 95

[FBIS Translated Excerpt] In Lithuania, statements by certain high-ranking Russian officials that Russia may use force to protect the rights of the Russians residing in the Baltic states are not considered to be very important, Lithuanian President Algirdas Brazauskas said during his meeting with participants of the Council of Europe Parliamentary Assembly's Culture and Education Committee session held in Vilnius.

According to Algirdas Brazauskas, the bellicose mood of Russian Foreign Minister Andrey Kozyrev and Defense Minister Pavel Grachev is related to the beginning of the election campaign in Russia. Russia should not be put on a level with the former Soviet Union, which was a threat for the entire world. In Russia, democratic reforms are taking place, however slow and painful they are, Brazauskas said. According to him, the Baltic countries, which have vast experience in relations with Russia, feel that Russia does not want Lithuania, Latvia, and Estonia to belong to her. [passage omitted]

No Harm to Moscow Ties Seen From Ceremony Boycott

WS0505092995 Tallinn BNS in English 1900 GMT 4 May 95

[FBIS Transcribed Text] Vilnius, May 04, BNS—Lithuanian President Algirdas Brazauskas said Thursday [4 May] he did not expect relations with Russia to deteriorate because of his refusal to attend ceremonies in Moscow marking the end of World War II in Europe.

"We expect from Moscow a better understanding of our case, our history. But at the same time, I am certain that our bilateral relations will not deteriorate after the beginning of May," Brazauskas said in remarks to reporters.

The president emphasized that Lithuania is interested in developing its relations with Russia "on an equal basis, in a direction beneficial to both sides."

Turning back to history, the Lithuanian leader said "liberation hopes" that existed 50 years ago did not come true, and "the tendencies of Stalinist dictatorship and terror soon became evident." Moral and material damage caused by the Molotov-Ribbentrop pact and the Soviet occupation will be felt in Lithuania for a long time, Brazauskas noted.

The president also said that a significant step in returning Lithuania to its rightful place in Europe and will be the signing of an associate membership agreement with the European Union, which is scheduled for May 29.

State Cannot Afford NATO Standards for Forces

LD0505104495 Vilnius Radio Vilnius in English 2130 GMT 5 May 95

[FBIS Transcribed Text] Lithuania is yet unable to follow NATO's recommendations to better provide for the country's armed forces, since the whole of the country's defense system lacks funds.

It was noted at a meeting of NATO's political military committee and the representatives of the Lithuanian National Defense Ministry held [word indistinct] this week that Lithuania should include budgetary allocations for furnishing the armed forces with modern armaments, hardware, and communications equipment.

At the present moment, the funds earmarked for this purpose account for six percent of the national defense budget. This percentage is much higher in NATO countries and [other] West European states.

Last year the state budget did not pay out 20 million litas for the needs of national defense. This year, the state budget has assigned 126.8 million litas—the sum accounting for only 59 percent of the requested funds—to the system of national defense.

Slezevicius: Oil To Be Imported From Venezuela

LD0305184895 Moscow INTERFAX in English 1542 GMT 3 May 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] Lithuania may conclude a long-term agreement on imports of a new type of fuel, orimulsion, from Venezuela within the next few weeks, Lithuanian Prime Minister Adolfas Slezevicius told a news conference in Vilnius commenting on the results of his week-long trip to Venezuela and Colombia.

According to him, it is planned that two agreements will be concluded: a long-term one for 15 years and a short-term for 1.5-2 years, under which Lithuania may enjoy certain benefits at the initial stage of imports. Lithuania is expected to receive about one million tonnes of the fuel every year to replace the fuel oil it is purchasing from Russia.

IF Note: Orimulsion is a natural product of oil processing made of heavy oil. Venezuela is the only state-producer and importer of orimulsion which is widely used by thermal power plants of Japan, Canada and Germany.

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It is planned to start using the fuel in a few months at the Lithuanian major state thermal power plant of Elektrenai. Then the fuel will be used by other thermal power plants of the country.

According to Slezevicius, the FOB price of the new fuel at Venezuelan ports is $32 per tonne, transportation of each fuel tonne to the Lithuanian port of Klaipeda may raise the price byanother $17. According to Lithuanian sources, a tonne of Russian fuel oil costs over $100 to Lithuania.

A Latin American delegation will visit Lithuania in a few weeks to discuss the possibility of helping to finance the reconstruction of the Mazeikiai oil-processing plant and construction of an oil terminal in Butinge on the Baltic coast.

U.S. Citizen Faces WWII Genocide Charges

LD0305115195 Moscow INTERFAX in English 1008 GMT 3 May 95

[FBIS Transcribed Text] Vilnius, May 3 (Interfax)—Lithuania's Prosecutor-General's Office initiated criminal proceedings against U.S. citizen Alexandras Lileikis, 87, suspected of involvement in the genocide of the Lithuanian population during World War II.

The Prosecutor-General's Office told Interfax Wednesday [3 May] that the decision had been taken on the basis of archive documents, which say that during the War Lileikis was head of the Vilnius district security police and gave his go-ahead for the arrest of local residents, among them Jews and Poles. Many of those arrested were executed, he said.

The possibility of initiating criminal proceedings against Lileikis was discussed several months ago. Lithuania's authorities stated then that there were not enough grounds for doing so.

The statement caused a negative response among Jewish public organizations operating abroad.

The Prosecutor-General's Office set up another group of experts, who received additional documents from the U.S. and took the decision to initiate criminal proceedings against Lileikis on the basis of these documents.

Lithuania's Deputy Prosecutor-General Aristidas Pestininkas told the media that whether or not the Lithuanian authorities will ask the U.S. government to extradite Lileikis "will depend on the results of the investigation and the analysis of the documents."

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